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COUNTY OF LOS ANGELES  
Internal Services Department  
1100 North Eastern Avenue  
Los Angeles, California 90063



Tom Tindall  
Director

*To enrich lives through effective and caring service.*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

January 21, 2009

To: Each Supervisor

From: Tom Tindall *Tom Tindall*  
Director

Subject: **REQUEST FOR IDENTIFICATION OF QUALIFIED VENDORS AND  
ISSUANCE OF REQUEST FOR STATEMENT OF QUALIFICATIONS  
FOR THE COLLECTION AND RECYCLING OF BEVERAGE  
CONTAINERS**

On November 25, 2008, your Board directed the Countywide Energy and Environmental Policy Team (Team) to do the following:

- Work in consultation with County Counsel and CEO Office of Risk Management to design and administer a Request For Statement of Qualifications (RFSQ) to establish an equitable means for identifying non-profit organizations that would like to partner with the County, on a gratis basis, for the collection and recycling of beverage containers, and report back to the Board in 60 days with an inventory of interested organizations.
- Develop a proposal to eliminate the opportunity for County department to purchase paper with less than 30 percent recycled content from non-ISD procured order by June 2010.
- Determine criteria under which County facilities should be required to implement beverage container and paper recycling programs.
- Report back to the Board in 90 days, and thereafter as part of the AB 32 update report to the Board, by posting information on the County's internal website (<http://green.lacounty.gov>) that includes their progress, and an inventory of progress by departments and/or facilities that have:
  - Implemented beverage container collection and recycling services from a menu of options (including agreements with existing waste haulers,

internal staff, Styrofoam® recyclers, or non-profit organizations), and the quantities collected and recycled.

- Established an agreement for paper collection and recycling services with one of the existing County vendors, including quarterly reports that track the quantities collected and recycled, and revenue generated.
- Eliminated the purchase of non-recycled content paper.
- Provide regular updates on a County Climate Action Plan in order to allow the Board to make short-and long-term strategic decisions on how best to pursue a comprehensive Sustainability Program.

This memorandum is to report to you the status of the efforts to identify qualified, interested organizations to collect County recyclable beverage containers, and to provide your Board with a status report on the additional Team actions to promote County departmental recycled paper purchases, implement and report on County departmental paper and beverage container recycling, and develop a County Climate Action Plan.

### **RFSQ Process**

The Team has met and consulted with County Counsel to begin the RFSQ process. This process includes outreach to organizations; development of the RFSQ, Master Agreement and proposal evaluation documents; allowing time for organizations to review and respond to the RFSQ; the County's review of the organizations' responses, and award of Master Agreements to qualified organizations. The Team anticipates that this entire process, culminating in award of contracts to qualified vendors, will be completed within the next 120 days. We will keep you apprised of the status of this process and will provide you with a list of qualified vendors when it is available.

### **County Departmental Recycled Paper Purchases**

On January 1, 2009, the County signed a contract with Spicers Paper, Inc., for paper purchases by County departments. Spicers Paper had the most recent contract with the County for paper purchases and they have been providing a quarterly report indicating the percentage of recycled content paper purchased by County departments. The current, and past, contract requires all departments to purchase paper with at least 30% post-consumer recycled content. Currently, the County Energy & Environmental Dashboard shows, by County department, what percentage of paper purchased meets the recycled content requirement. The Dashboard is provided as Attachment 1 and posted on the County's Energy & Environmental website: <http://green.lacounty.gov>



(click on the "Energy" tab on the navigation menu, then go the Energy and Environmental Dashboards). Overall, the County's office paper purchases are about 70% recycled content. This does not satisfy the County's goal. The Team will continue to work with Spicers Paper, Inc., to develop more refined information about recycled content paper purchases including quantities of recycled content paper purchases and purchases.

The Team will continue to promote the purchase of recycled content paper to eliminate the purchase of paper with less than 30% recycled content. The Team will distribute a report to all County buyers, responsible for County departmental paper purchases, titled, "Recycled Paper: The Best Choice." The report provides information on: reasons to purchase recycled content paper, how recycled content paper prices compare to non-recycled content paper, what actually constitutes recycled content paper, and arguments against the common excuses for not using recycled content paper. This report is also posted on the Energy & Environmental website: <http://green.lacounty.gov/waste.asp>.

### **County Departmental Recycling**

The Department of Public Works Environmental Programs Division (DPW/EPD) has been working to increase recycling within County facilities for several years. Recently, they have purchased 8,000 desk-side paper recycling bins for County facilities. Through an ISD administered Countywide contract, two vendors pick up and recycle all paper collected from most County facilities. The Team will continue to work with those vendors to obtain reports that provide the quantities collected paper for recycling by County facility.

DPW/EPD also has provided beverage container recycling bins at various County facilities using funds obtained from outside sources. A table showing the department facilities that have been provided with these recycling bins and the number of bins provided is posted on the County Energy & Environmental website: <http://green.lacounty.gov/waste.asp>, and provided as Attachment 2. Beverage container recycling bins are provided by DPW/EPD upon request by any County department pending availability of funds. Building proprietors are responsible for bin accessibility, pick-up and cleanliness. The RFSQ being developed by the Team will establish a Master Agreement on various organizations that provide beverage container recycling services and give County Departments a better opportunity to establish a complete beverage container recycling program.



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### **Climate Action Plan Reporting**

An update on the development of a Countywide Climate Action Plan will be provided as part of the Energy and Environmental Policy Team Update Report which is prepared every six months. The next report is due on February 20, 2009.

If you have any questions, please contact me at (323) 267-2101 or Howard Choy at (323) 881-3939.

TT:ad

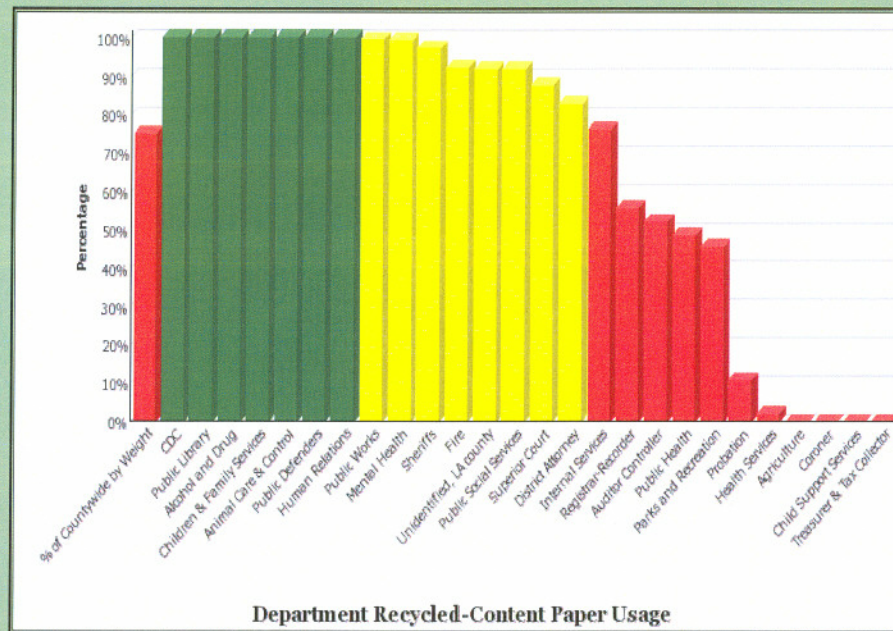
### **Attachments**

c: Chief Executive Officer  
Deputy Chief Executive Officers  
County Counsel  
CEO Office of Risk Management  
ISD Board Deputies  
Department Heads

### Recycled-content paper purchases made by County departments.

Use the dropdown menu below to view details of a specific department.

Select Department:



On September 7, 1999, the County Board of Supervisors mandated that all paper purchases by County departments contain a minimum of 20% recycled-content paper.

■ 100% Recycled - Content Paper  
■ 80% - 99% Recycled - Content Paper  
■



Department	Beverage Container Recycling Bins
Beaches and Harbors	18
Child Support Services	15
Fire	14
Hall of Administration (various departments)	30
Internal Services	11
Mental Health	4
Museum of Arts	30
Parks and Recreation	5
Probation	17
Public Health	5
Public Social Services	9
Public Works	46
Registrar-Recorder	60
Sheriff	36
Superior Court	70



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February 19, 2009

To: Each Supervisor

From: Tom Tindall *Tom Tindall*  
Director

Subject: **ENERGY & ENVIRONMENTAL POLICY TEAM STATUS REPORT**

This memo provides a status report on the accomplishments and activities of the Energy and Environmental Policy Team (Team) created by your Board on January 16, 2007. Our last status report was issued in August 2008.

#### **TEAM ORGANIZATION**

The Team is led by the ISD and includes representatives from the Chief Executive Office, County Counsel, Department of Public Works, Department of Parks and Recreation, Sheriff's Department, Public Library, Department of Health Services, Department of Public Health, Department of Community and Senior Services, Community Development Commission, Southern California Edison, Southern California Gas Company, and the Los Angeles Department of Water & Power.

The Team meets bi-monthly. Working committees have been established within each program area listed below and meet as necessary to accomplish the goals of the Countywide Energy and Environmental Policy (Policy).

- Energy and Water Efficiency Program
- Green Building Operations Program
- Environmental Stewardship Program
- Public Education & Outreach Program

Under the Policy, the Team develops energy and environmental programs for implementation in County facilities and operations. The Team also supports other departments on investigations and programs initiated by the Board, including those that impact constituents County-wide or in County unincorporated areas.



## RECENT ACCOMPLISHMENTS

The following is a summary of significant activities and accomplishments during the last six months.

- The Team is utilizing the County's Energy & Environmental Efforts intranet website to provide updates on the numerous County activities that support national, State, local and the County's own policies on energy and the environment. That site is: <http://green.lacounty.gov>. This status report will briefly describe current activities and updates and will reference this website for further details.
- ISD is working to make the green website a public internet site. The website describes all of the programs now underway; provides regular information updates; and introduces new efforts. The website also includes a "digital dashboard" which displays progress towards the County energy efficiency program goals and environmental program goals (especially in the area of recycling in County facilities). The target date for making the website public is March 1, 2009.
- The Team continues to monitor the Statewide regulatory activities underway to implement AB 32, California's Global Warming Solutions Act. Regulatory programs are being developed at the California Air Resources Board (CARB), the California Energy Commission, the California Public Utilities Commission (CPUC), and other State agencies. CARB has adopted a voluntary greenhouse gas reporting protocol for local government internal operations. CARB has also produced the AB 32 Scoping Plan to outline how the State expects to meet its greenhouse gas reduction targets. The County provided comments to CARB during the drafting of this initial Scoping Plan. These documents, and the County's comments submitted to CARB, can be found at the green website. A further description of the status of AB 32, and other key regulatory programs described below, are included on the Attachment.
- Additional key greenhouse gas legislation has been passed which will impact County operations, County programs, and the County's regional planning efforts. SB 375, signed into law this year, will integrate State greenhouse gas reduction goals and regulations into cities' and counties' regional planning efforts to reduce greenhouse gas production by vehicle travel. SB 97 seeks to incorporate greenhouse gas mitigation guidelines into the California Environmental Quality Act (CEQA) review of large projects. A description of these laws and the status of implementing them are included in the legislative update, attached. In addition, the green website contains updates describing these bills and their regulatory status.
- In October 2009, a Renewable Energy Policy Committee was established to begin **assessment and development of renewable energy programs for the County**. This includes supporting the State's goals for renewable energy; developing renewable projects on County-owned land and in new and existing County buildings; developing renewable energy programs for constituents; and investigating



collaborations with others on renewable energy projects. On February 3, 2009, on motion of the 4<sup>th</sup> District, as amended by the 2<sup>nd</sup> and 3<sup>rd</sup> Districts, the Board asked for specific input on the development of a County Renewable Energy Policy. The status of this Committee's efforts will be documented in the response to those motions, and on the green website.

- As indicated in the last status report, ISD and the CIO are nearing completion of a Solar Map, which will provide any building owner in the County with information about solar power installations. The Solar Map utilizes the data from the CIO's latest aerial imagery mapping project and solar power software to provide preliminary savings information from a solar power project. The Solar Map will also include information about project costs, installation details, and where to get more information on pursuing a solar installation. The Solar Map calculations have been completed and the final website is being finalized for a planned public roll-out of the website on Earth Day, April 22, 2009. This work will be integrated with programs developed by the Renewable Energy Policy Committee described above.
- Public Works and ISD are jointly applying for a Quality and Productivity Commission Investment Fund grant and loan to certify our headquarters buildings under the Leadership in Energy and Environmental Design (LEED) Existing Building (EB) guidelines. The pilot project requests \$200,000 in grants and \$250,000 in loans, combined with department matching funds, to complete LEED certification. The request also includes a \$75,000 grant request to initiate a LEED EB training program for other department personnel. This effort continues earlier work to develop best practices program for existing County buildings.
- The Team continues to support a variety of County programs that are led by other organizations. These include:
  - Development of programs to limit or ban the use of polystyrene food containers and plastic bags (led by the CEO and DPW),
  - Implementation of an ordinance to phase-in green building certification requirements for private development in unincorporated County (led by Regional Planning and Public Works),
  - Implementation of the County Capital Project Program to certify new County buildings (>10,000 square feet) at the United States Green Building Council's LEED Silver level,
  - Tracking available local government funding for energy efficiency and climate change programs under the 2007 Federal Energy Bill and under the Federal Stimulus Package.



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- Creation of a Countywide Green Leadership Award to recognize individual and organizational achievements in environmental stewardship. The program is led by the Productivity and Quality Commission with assistance from the Energy & Environmental Policy Team. A description of this program can be found on the green website.

Further details on the Team activities described above are included as attachments and may be found at <http://green.lacounty.gov>. If you have any questions, please contact me at (323) 267-2101 or Howard Choy at (323) 881-3939.

TT:HC:z

Attachment

c: William T Fujioka, CEO  
Ellen Sandt, DCEO  
Department Heads

## **ATTACHMENT**

### **Summary of Key California Climate Change Legislation**

The status of implementing three major greenhouse gas bills is described below. AB 32 has been summarized and updated to your Board since August of 2007. This summary primarily provides an overview of the status of the AB 32 Scoping Plan. SB 375 incorporates greenhouse gas reductions from vehicle miles travelled into land use regulation and planning. SB 97 incorporates greenhouse gas mitigation guidelines into the California Environmental Quality Act (CEQA) review provisions for the identification and mitigation of significant environmental impacts of projects. Various regulatory proceedings, workshops and seminars will be taking place throughout the State over the next two years as regulations are developed and implemented.

#### **AB 32**

In December of 2008, the California Air Resources Board (CARB) approved the AB 32 Scoping Plan. Development and approval of the Scoping Plan is a central requirement of AB 32, which requires California to reduce its greenhouse gas emissions to 1990 levels by 2020.

The Scoping Plan is built on the principle that a balanced mix of strategies is the best way to cut emissions by approximately 30 percent, and grow the economy in a clean and sustainable direction. A listing of the Scoping Plan strategies and the timeline for developing detailed regulations is at the end of this attachment.

An important component of the plan is a cap-and-trade program covering 85 percent of the state's emissions. This program will be developed in conjunction with the Western Climate Initiative, comprised of seven states and four Canadian provinces that have committed to cap their emissions and create a regional carbon market. Under a carbon market, emissions will be capped for regulated sectors and entities. In order to meet emissions targets regulated entities can reduce their own emissions or purchase emissions offsets from the market regulator or other regulated entities.

Additional key recommendations of the plan include strategies to enhance and expand proven cost-saving energy efficiency programs; implementation of California's clean cars standards; increases in the amount of clean and renewable energy used to power the state; and implementation of a low-carbon fuel standard that will make the fuels used in the state cleaner.

The plan proposes full deployment of the California Solar Initiative, high-speed rail, water-related energy efficiency measures and a range of regulations to reduce emissions from trucks and from ships docked in California ports. There are also measures designed to safely reduce or recover a range of very potent



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greenhouse gases - refrigerants and other industrial gases - that contribute to global warming at a level many times greater than carbon dioxide contributes.

The plan recommends targeted fees to fund the state's long-term commitment to AB 32 administration. CARB has begun developing detailed strategies to implement all of the recommended measures that must be in place by 2012.

California is the first state in the nation to formally approve a comprehensive greenhouse gas reduction plan that is required under statute and that involves every sector of the economy.

The plan is the product of an 18-month-long public process with scores of workshops and public meetings and hundreds of people testifying in person before the board. The County submitted comments on the Draft Scoping Plan; they are available at <http://green.lacounty.gov> as is the final Scoping Plan.

In addition, CARB has prepared a protocol to be used (voluntarily for now) by local governments for recording greenhouse gas production due to internal operations. The draft protocol and comments submitted by the County can be found at the green website.

### **SB 375**

While AB32 focuses on energy, specific industries, and vehicle emissions, another piece of legislation, SB 375, was signed into law to address emissions from vehicle miles traveled. This is another landmark, greenhouse gas reduction legislation and will impact future development throughout the State. The focus of SB 375 is the reduction in greenhouse gases through the reduction of vehicle miles traveled by passenger vehicles through land use regulation and improved transportation opportunities. This reduction is to be accomplished primarily in four ways:

- Connecting regional planning to the existing regional transportation planning process
- Coordinating the regional housing needs process with regional transportation planning
- Providing incentives for local governments to implement the regional plans through funding opportunities
- Providing incentives for builders to comply with regional plans and consistent local plans in the form of streamlined California Environmental Quality Act (CEQA) processing



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One of the goals is to encourage local and regional planning agencies to develop "regional blueprints" to guide land use allocations. Land use planning in California has historically reflected a struggle between local jurisdictions (cities and counties), regional planning agencies (such as the Southern California Association of Governments (SCAG), State agencies with regional regulatory powers that affect local land use (like air quality management districts or Regional Water Quality Control Boards), and the State and federal governments themselves. By focusing on regional planning, SB 375 attempts to incentivize local governments to make land use decisions consistent with the plans developed by regional planning agencies.

### **SB 375 Process**

The basic concept behind SB 375 is to coordinate two existing regional planning functions, the Regional Housing Needs Assessment (Housing Needs Assessment) and the Regional Transportation Plan, which are already the responsibility of Metropolitan Planning Organizations, and to add a new land use function designed to achieve GHG reduction targets. In Southern California the two Metropolitan Planning Organizations are SCAG and the San Diego Association of Governments (SANDAG). The process is as follows:

- The California Air Resources Board (CARB) will establish regional emission reduction targets for each region defined as a Metropolitan Planning Area by no later than September 30, 2010.
- Each Metropolitan Planning Organization must then develop a Sustainable Communities Strategy (SCS) to achieve these targets within its region, if feasible to do so. The SCS must identify areas sufficient to house regional population and projected growth, a regional transportation network, and a forecasted development pattern, which, when integrated with the transportation network, will achieve the greenhouse gas reduction targets.
- The SCS will be a part of the Regional Transportation Plan that is to be developed by each transportation planning agency. In general, these plans will be required to be completed in 2012. The Regional Transportation Plan is the key document for the allocation of federal transportation dollars to states and regions within states.
- If the SCS fails to achieve the targets, an Alternative Planning Strategy (APS) must be developed by the Metropolitan Planning Organization. The APS must achieve the targeted reductions. The APS, however, does not become part of the Regional Transportation Plan, which means that it serves as a mostly advisory document and will not affect transportation funding.



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- CARB then reviews the SCS and APS, if any. CARB can only approve or reject the Metropolitan Planning Organization's determination that the plan will achieve the regional targets. If CARB determines that a plan will not achieve the reduction targets, the Metropolitan Planning Organization shall revise its strategy or adopt an APS, if one has not already been adopted, and submit them to CARB for further review. The Metropolitan Planning Organization must obtain CARB acceptance that either the SCS or APS will achieve the regional targets.

Cities and counties are not required to incorporate the SCS or APS into local general plans, but a failure to do so will affect the availability of federal and State transportation dollars for nonconforming local agencies.

### **SB 375 Housing Element Law**

SB 375 resolves past inconsistencies between regional transportation planning and regional housing plans by requiring that the regional housing needs assessments be considered in the development of the Regional Transportation Plan and that the Housing Needs Assessments be consistent with the Regional Transportation Plan development patterns. SB 375 attempts to adjust the time frames for the adoption of Housing Needs Assessments and Regional Transportation Plans so as to permit this coordination to occur. SB 375 also includes certain anti-NIMBY provisions limiting the ability of a local agency to turn down or render infeasible certain affordable housing projects. Finally, SB 375 mandates that cities and counties rezone properties to match their Housing Needs Assessment allocations within three years of the adoption of their updated housing element. A failure to rezone results in an automatic determination that the housing element is out of compliance.

### **SB 375 CEQA Streamlining Process**

There are two types of CEQA streamlining processes available. Both require the adoption of an SCS or APS, which means that the streamlining will not be available until around 2012. The two types of streamlining are as follows:

- Residential and Mixed-Use Projects. For residential or mixed-use projects where at least 75% of total building square footage consists of residential use that are consistent with a CARB-approved SCS or APS, the CEQA documentation is not required to reference, describe or discuss growth-inducing impacts or project-specific or cumulative impacts on global climate change resulting from passenger vehicles.
- Transit Priority Projects. Transit Priority Projects are defined as projects that (i) consist of at least 50% residential use based on total building square footage (if the project includes between 26% and 50% nonresidential uses the project must have a floor area ratio (FAR) of not



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less than .75), (ii) provide a minimum net density of 20 units per acre, and (iii) are located within a half mile of a major transit stop or high-quality transit corridor included in a Regional Transportation Plan. A Transit Priority Project may qualify for one of these three CEQA "streamlines."

Transit Priority Projects which meet detailed specified criteria similar to those currently available for infill projects, not the least of which is that the project must be less than 8 acres and 200 units, are exempt from CEQA altogether.

Projects which do not qualify for a complete exemption but which have incorporated all feasible mitigation measures, performance standards, or criteria set forth in prior applicable environmental impact reports (EIRs) may qualify for a "sustainable communities environmental assessment" (SCEA) or a streamlined EIR. A SCEA is similar to a negative declaration with some key differences, including a requirement that the project include all feasible mitigation measures from previous environmental documents addressing the project and where cumulative impacts have been mitigated.

Projects which do not qualify for a SCEA may utilize a streamlined EIR, which is essentially a focused EIR that is not required to analyze off-site alternatives.

Where a Transit Priority Project has to undergo some CEQA review, SB 375 imposes limits on traffic mitigation measures that can be imposed on Transit Priority Projects by the local jurisdiction.

The implementation of SB 375 will be a challenge to all affected parties. This is particularly true of the building industry. Regional building organizations will have to take a far more active role in the regional planning process if industry concerns are to be considered. Project proponents may not be around when key planning decisions are made at the regional level, and therefore development advocates may find themselves working much earlier in the process before much different agencies (such as SCAG or the OCCOG) to advocate for where housing should be located and transportation facilities built. If the funding incentive works, local agencies will have to adhere to these regional plans and their ability to respond to specific project proposals will be significantly limited. This planning structure also has significant cost implications and raises key questions. How will needed infrastructure in infill areas be funded? How will affordable housing be financed? What will the impact of the regional planning paradigm be on land costs? What will be the cost implications of high-density development? Will the current economic situation compel the Legislature to backpedal on some or all of these strategies?

### **SB 97**

Pursuant to SB 97 (Chapter 185, Statutes of 2007), the Governor's Office of Planning and Research (OPR) has released preliminary draft amendments to the



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CEQA Guidelines (Title 14, California Code of Regulations, Sections 15000 *et seq.*) concerning the analysis of greenhouse gas emissions. CEQA requires lead agencies to identify and mitigate a project's significant environmental effects where feasible.

SB 97 requires OPR to develop and transmit CEQA Guidelines concerning the mitigation of greenhouse gas emissions to the Resources Agency by July 1, 2009. In turn, the Resources Agency must consider, certify, and adopt such CEQA Guidelines by January 1, 2010.

In the announcement concerning the preliminary draft amendments, OPR notes that "the most difficult part of any greenhouse gas emissions analysis will inevitably be the determination of significance." The preliminary draft Guidelines do not identify a threshold of significance for greenhouse gas emissions, nor do they prescribe assessment methodologies or specific mitigation measures because CEQA reserves these considerations for lead agencies. OPR has, however, asked California Air Resources Board (CARB) technical staff to recommend methods to lead agencies for setting thresholds of significance.

Perhaps most significantly for the County, the preliminary draft Guidelines endorse programmatic mitigation plans, which would allow the County to impose uniform mitigation requirements across a variety of project sectors in support of the County's specific greenhouse gas reduction goals. This mitigation at a regional level, however, concerns environmental groups including the Sierra Club and the Natural Resources Defense Council. These groups instead endorse a hierarchical approach to mitigation, with project-level onsite mitigation being the preferred option.

**Scoping Plan Measures Implementation Timeline**  
January 29, 2009

Row #	Scoping Plan Measure	Measure #	Page #	Responsible Agency (ies) (Lead in bold)	Projected Date Measure to be Adopted by Lead Agency	Implementation Date	Million Tons of GHG Reductions by 2020	Type of Action (Regulation, Voluntary etc.)
1	Pavley (AB 1493)	T-1	C-57	ARB	Sep-04	2009-2016	27.7	Regulation
2	Ship Electrification at Ports (Discrete Early Action)	T-5	C-66	ARB	Dec-07	2010	0.2	Regulation
3	Port Drayage Trucks	T-6	C-68	ARB	Dec-07	Beginning 2010	3.5*	Regulation
4	Limit High GWP Use in Consumer Products (Discrete Early Action): Pressurized Gas Duster GWP Limit of 150	H-4	C-179	ARB	Jun-08	2010	0.23	Regulation
5	Heavy-Duty Vehicle GHG Emission Reduction (Aerodynamic Efficiency) (Discrete Early Action)	T-7	C-73	ARB	Dec-08	Phased-In Schedule for large fleets: Beginning 2010; Final compliance 2013	0.93	Regulation
6	Motor Vehicle Air Conditioning Systems: Reduction of Refrigerant Emissions from Non-Professional Servicing (Discrete Early Action)	H-1	C-175	ARB	Jan-09	2010	0.26	Regulation
7	SF <sub>6</sub> Limits in Non-Utility and Non-Semiconductor Applications (Discrete Early Action)	H-2	C-176	ARB	Feb-09	2010	0.1	Regulation
8	Reduction of Perfluorocarbons in Semiconductor Manufacturing (Discrete Early Action)	H-3	C-177	ARB	Feb-09	2012	0.18	Regulation
9	Tire Pressure Program	T-4	C-63	ARB	Mar-09	2010	0.55	Regulation
10	Low Carbon Fuel Standard (Discrete Early Action)	T-2	C-64	ARB	Apr-09	2010	15	Regulation
11	Landfill Methane Control Measure (Discrete Early Action)	RW-1	C-160	ARB	Apr-09	2012	1	Regulation
12	Water Use Efficiency	W-1	C-132	<b>DWR, SWRCB, CEC, CPUC, ARB</b>	Spring 2009	2020	1.4**	Regulation
13	Solar Reflective Auto Paints and Window Glazing	T-4	C-63	ARB	May-09	2012	0.89	Regulation
14	Stationary Equipment Refrigerant Management Program- Refrigerant Tracking/Reporting/Repair/Deposit Program	H-6	C-182	ARB	May-09	2010	11	Regulation
15	Energy Efficiency and Co-Benefits Audits for Large Stationary Sources	I-1	C-150	ARB	Oct-09	2010	TBD	Regulation
16	Sulfur Hexafluoride (SF <sub>6</sub> ) Emission Reductions from the Electricity Sector and Particle AcceleratorsSF <sub>6</sub>	H-6	C-186	ARB	Dec-09	2012	0.1	Regulation
17	Mitigation Fee on High GWP Gases	H-7	C-189	ARB	Dec-09	2010	5	Regulation

\*All of the T-6 measures together add up to 3.5 MMTCO<sub>2</sub>e

\*\*Not counted toward the 2020 total of 174 MMTCO<sub>2</sub>e



**Scoping Plan Measures Implementation Timeline**  
**January 29, 2009**

Row #	Scoping Plan Measure	Measure #	Page #	Responsible Agency (ies) (Lead in bold)	Projected Date Measure to be Adopted by Lead Agency	Implementation Date	Million Tons of GHG Reductions by 2020	Type of Action (Regulation, Voluntary etc.)
18	Tire Tread Program	T-4	C-63	CEC	2009	2010	0.3	Regulation
19	Oil and Gas Extraction GHG Emission Reduction	I-2	C-153	ARB	2009	2015	0.2	Regulation
20	Transport Refrigeration Units Cold Storage Prohibition and Energy Efficiency	T-6	C-69	ARB	March-10	TBD	3.5*	Regulation (cold storage) and Guidelines (energy efficiency)
21	Foam Recovery and Destruction Program	H-6	C-185	ARB	Jul-10	2010	0.3	Regulation
22	Cap-and-Trade		C-11	ARB	Nov-10	2012	34.4	Regulation
23	Pavley II	T-1	C-57	ARB	2010	2017	4.1	Regulation
24	High GWP Reductions from Mobile Sources Low GWP Refrigerants for New Motor Vehicle Air Conditioning Systems	H-5	C-179	ARB	2010	2015	2.5	Regulation
25	Refinery Flare Recovery System Improvement	I-4	C-155	ARB	2010	2012	0.33	Regulation
26	Removal of Methane Exemption from Existing Refinery Regulations	I-5	C-156	ARB	2010	2012	0.01	Regulation
27	GHG Leak Reduction from Oil and Gas Transmission	I-3	C-154	ARB	2010	2015	0.9	Regulation
28	Alternative Suppressants in Fire Protection Systems	H-6	C-187	<b>ARB</b> , Cal Fire	Dec-11	2011	0.1	Regulation
29	Stationary Equipment Refrigerant Management Program- Specifications for Commercial and Industrial Refrigeration	H-6	C-183	ARB and CEC	2011 (CEC)	2012	4	Regulation
30	Low Friction Engine Oil	T-4	C-63	ARB	TBD	TBD	2.8	Regulation
31	Medium- and Heavy-Duty Vehicle Hybridization	T-8	C-73	ARB	TBD	TBD	0.5	Regulation
32	Reuse Urban Runoff	W-4	C-134	SWRCB	TBD	2020	0.2**	Regulation
33	Public Goods Charge for Water	W-6	C-136	<b>DWR</b> , ARB, CPUC, SWRCB	TBD	2012	TBD	Regulation
34	Water Recycling	W-2	C-133	SWRCB, DWR	TBD	2030	0.3**	Regulation
35	Feebates (in lieu of Pavley regs)	T-1	C-61	ARB	TBD	TBD	31.7	Regulation (if needed)
36	Refrigerant Recovery from Decommissioned Refrigerated Shipping Containers	H-5	C-181	ARB	2010	2012	0.2	Regulation/ Program
37	Solar Water Heating: AB 1470	CR-2	C-118	CPUC	2010	2020	0.1	Incentive

\*All of the T-6 measures together add up to 3.5 MMTCO<sub>2</sub>e

\*\*Not counted toward the 2020 total of 174 MMTCO<sub>2</sub>e

**Scoping Plan Measures Implementation Timeline**  
**January 29, 2009**

Row #	Scoping Plan Measure	Measure #	Page #	Responsible Agency (ies) (Lead in bold)	Projected Date Measure to be Adopted by Lead Agency	Implementation Date	Million Tons of GHG Reductions by 2020	Type of Action (Regulation, Voluntary etc.)
38	Million Solar Roofs: 3,000 MW by 2017	E-4	C-120	<b>CPUC, CEC, ARB</b>	Current Program	Through 2016	2.1	Incentive
39	Residential Refrigeration Early Retirement Program	H-6	C-188	ARB	Dec-10	2011	0.1	Incentive Partnership w/ Utilities
40	Commercial Recycling	RW-3	C-161	CIWMB	2010	2020	5**	Mandate
41	High Speed Rail	T-9	C-85	HSRA	NA	2020	1	NA
42	Green Buildings	GB-1	C-142	<b>DGS, ARB, CEC, CPUC, HCD</b>	Ongoing	TBD	26**	NA
43	Enforcement of Federal Ban on Refrigerant Release during Servicing or Dismantling of Motor Vehicle Air Conditioning Systems	H-5	C-182	ARB	2009	2010	0.1	Partnership
44	Air Conditioner Refrigerant Leak Test During Vehicle Smog Check	H-5	C-180	ARB, BAR	2010	2012	0.5	Partnership
45	Renewables Portfolio Standards (33% by 2020 for IOUs & POUs)	E-3	C-126	<b>CPUC, CEC, ARB</b>	2009	2020	21.3	Various
46	Increasing Combined Heat and Power Use by 30,000 GWh	E-2	C-122	<b>CPUC, CEC, ARB</b>	2009	2020	6.7	Various
47	Regional Transportation-Related Greenhouse Gas Targets	T-3	C-74	ARB, Local Governments, Regional Planning Agencies	Sep-10	Set targets by 2010. Local actions have begun already in some areas	5	Various
48	Energy Efficiency Measures (Electricity)	E-1	C-99	<b>CEC, CPUC, ARB</b>	Ongoing	Through 2020	15.2	Various
49	Energy Efficiency (Natural Gas)	CR-1	C-99	<b>CPUC, CEC, ARB</b>	Ongoing	Through 2020	4.3	Various
50	Local Government Assistance	NA	C-49	<b>ARB, CalTrans, CEC, CTC, HCD, OPR</b>	Ongoing	NA	NA	Various
51	Sustainable Forest Target	F-1	C-166	Board of Forestry and Fire Protection	TBD	TBD	5	Various
52	State Government	NA	C-25	<b>Cal/EPA, ARB, DGS</b>	TBD	Ongoing	1-2**	Various
53	N <sub>2</sub> O collaborative research	NA	67	ARB	Feb-09	NA	NA	Voluntary
54	Local Government Toolkit	NA	27	ARB	Apr-09	Ongoing	NA	Voluntary
55	Business Toolkit	NA	86	ARB	Apr-09	Ongoing	NA	Voluntary
56	Cargo Handling Equipment- Anti-Idling, Hybrid, Electrification	T-6	C-69	ARB	Nov-09	TBD	3.5*	Voluntary

\*All of the T-6 measures together add up to 3.5 MMTCO<sub>2</sub>e

\*\*Not counted toward the 2020 total of 174 MMTCO<sub>2</sub>e



**Scoping Plan Measures Implementation Timeline**  
**January 29, 2009**

Row #	Scoping Plan Measure	Measure #	Page #	Responsible Agency (ies) (Lead in bold)	Projected Date Measure to be Adopted by Lead Agency	Implementation Date	Million Tons of GHG Reductions by 2020	Type of Action (Regulation, Voluntary etc.)
57	Goods Movement System-Wide Efficiency Improvements	T-6	C-67	ARB	2010	2010-2015	3.5*	Voluntary
58	Methane Capture at Large Dairies	A-1	C-194	ARB	NA	2020	1**	Voluntary
59	Increase Production and Markets for Compost (studies underway for data development)	RW-3	C-161	CIWMB	Ongoing	2020	2**	Voluntary
60	Greening New and Existing State Buildings	GB-1	C-142	DGS	Ongoing	TBD	TBD	Voluntary
61	Greening Public Schools	GB-1	C-143	DGS	Ongoing	TBD	TBD	Voluntary
62	Forest Conservation, Forest Management, Afforestation/Reforestation, Urban Forestry, and Fuels Management	NA	C-167	Cal Fire	Ongoing	2020	Potentially 2**	Voluntary
63	Extended Producer Responsibility	RW-3	C-162	CIWMB	Pending Legislation	2020	TBD**	Voluntary
64	Commercial Harbor Craft	T-6	C-69	ARB	TBD	TBD	3.5*	Voluntary
65	Commercial Harbor Craft-Maintenance and Design Efficiency	T-6	C-69	ARB	TBD	TBD	3.5*	Voluntary
66	Increasing the Efficiency of Landfill Methane Capture	RW-2	C-160	CIWMB	TBD	2020	TBD**	Voluntary
67	Anaerobic Digestion	RW-3	C-162	CIWMB	TBD	2020	2**	Voluntary
68	Environmentally Preferable Purchasing	RW-3	C-162	CIWMB, DGS	TBD	TBD	TBD**	Voluntary
69	Water System Energy Efficiency	W-3	C-133	<b>CEC, CPUC, DWR, SWRCB</b>	TBD	2020	2**	Voluntary
70	Increase Renewable Energy Production (from Water sector)	W-5	C-135	CEC, CPUC	TBD	2020	0.9**	Voluntary
71	Clean Ships	T-6	C-68	ARB	TBD	TBD	3.5*	Voluntary/Regulation
72	Vessel Speed Reduction	T-6	C-68	ARB	TBD	TBD	3.5*	Voluntary/Regulation
73	Greening New Residential and Commercial Construction	GB-1	C-145	CEC, CPUC, Building Standards Commission	Ongoing	TBD	TBD	Voluntary/Incentive
74	Greening Existing Homes and Commercial Buildings	GB-1	C-146	CEC, CPUC	Ongoing	TBD	TBD	Voluntary/Incentive

\*All of the T-6 measures together add up to 3.5 MMTCO<sub>2</sub>e

\*\*Not counted toward the 2020 total of 174 MMTCO<sub>2</sub>e



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

May 6, 2009

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From:   
William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **RENEWABLE ENERGY PROGRAM: RESPONSE TO JANUARY 13, 2009, BOARD DIRECTION**

On January 13, 2009, on motion of Supervisor Knabe, as amended by Supervisors Ridley-Thomas and Yaroslavsky, your Board directed the Chief Executive Office (CEO), with support from Internal Services Department (ISD) and the Department of Public Works (DPW), to create an action plan for developing a Comprehensive Renewable Energy Program.

The Board action requested a report back on a number of energy and environmental issues, including constituent initiatives, renewable energy sources, current energy usage and cost data, legislative recommendations, the role of the County's Energy and Environmental Team, and related topics. The complete Board action is provided as Attachment I.

On February 20, 2009, we submitted an initial response to your Board (Attachment II). In that document, we indicated that the remainder of the Board action would be addressed by April 2009.

Attachment III provides a comprehensive report to address each item that was included in the January 13, 2009, Board action.

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Due to the length of the attachment, this memo summarizes our general response to the Board action. For brevity and clarity, we have re-categorized the Board's requests above into three general questions:

1. What is the County doing to implement a constituent program for energy and environmental services?
2. How can the County best implement a renewable energy program for both internal operations and for constituents?
3. Given the magnitude and scope of developing an overall County Climate Change program, how can the County deploy its resources to effectively evaluate and implement greenhouse gas reduction goals and measures for achieving those goals?

The remainder of this memo addresses these three issues.

**1. What is the County doing to implement a constituent program for energy and environmental services?**

A constituent-focused initiative will be provided through the development of a County Community Energy Services Program. This program will provide technical support and incentives to constituents for implementing energy efficiency measures and renewable energy projects. We will be expanding our LA County green website, <http://green.lacounty.gov>, to provide energy and environmental services information for constituents. We are also analyzing the cost and feasibility of establishing regional offices to support this program in areas where these programs are needed the most.

Initial funding to develop and implement the Community Energy Services Program can be provided from programs authorized under the Federal American Recovery and Reinvestment Act (ARRA). Under ARRA, the County is expected to receive \$15.4 million in Federal Energy Efficiency and Conservation Block Grants. State Energy Program competitive grants are also available to fund these types of programs. It is anticipated that as much as \$10 million of the County's \$15.4 million Block Grant allocation could be recommended for use on this program.

The key element within this program will be the County's development of an AB 811 municipal financing program, which allows building owners to finance solar power installations through property tax assessments and payments. The financing under this program, by statute, is permitted to cover program operating and administrative costs. This could provide long-term funding beyond the initial Block Grant funding. Further discussion on how this program will be implemented is contained in the detailed report.

ISD has been delegated by the CEO as the coordinator of all ARRA energy-related grants and will include this program in the Block Grant and competitive grant applications. We plan to return to your Board in the Final Changes phase of the fiscal year 2009-10 budget process to seek budgetary approval for this program.

**2. How can the County best implement a renewable energy program for both internal operations and for constituents?**

The County should develop renewable energy projects on existing County facilities and property. The newly created County Solar Map (an internet-based solar potential calculator for all buildings located within the County) indicates that there is tremendous solar power potential on County-owned assets.

Developing solar power and solar water-heating projects on County facilities will provide energy savings and contribute to reducing greenhouse gas production in County operations. It is recommended that renewable energy projects on County facilities be financed using Power Purchase Agreements (PPAs). PPAs are similar to lease-financing arrangements and allow private, renewable energy project developers to pass through significant tax incentives to the County. We are working with County Counsel to see how PPAs could work within the County's legal and financial structure.

A reasonable initial target for renewable power production in the County on existing facilities is to offset 1% of current County energy consumption. This would offset 10 million kilowatt hours (kwh) of electricity use, contribute towards the AB 32 goal of achieving 1990 greenhouse gas reduction levels by 2020, and could be implemented while achieving a positive Net Present Value over the life of the projects. Roughly, this effort would cost \$25 million, but under a PPA, the County may be able to implement these projects without providing up front capital. ISD can facilitate these projects under its Energy Projects Master Agreement.

The County should also pursue developing large-scale renewable power projects on appropriate County property or on private property (through a public-private joint venture). Developing larger scale projects provides economies of scale on project costs. Additionally, new legislation (AB 2466) provides greater revenues for this generated power compared to selling the power to utilities or power marketers. AB 2466 allows the County to offset renewable power generated at one location against other County accounts – thus ensuring that excess generated renewable power can fully offset electricity rates on County accounts.



Lastly, the ARRA has funded two Federal Tax Credit Bonds (Clean Renewable Energy Bonds and Qualifying Energy Conservation Bonds) which provide financing incentives for large, municipal renewable energy projects. This Office will work with ISD and Treasurer/Tax Collector to evaluate these opportunities.

More detailed recommendations and analysis are provided in the detailed report.

**3. Given the magnitude and scope of developing an overall County Climate Change program, how can the County deploy its resources to effectively evaluate and implement greenhouse gas reduction goals and measures for achieving those goals?**

The Energy & Environmental Policy Team was created by your Board to bring together representatives from within the County to help develop the Countywide Energy & Environmental Policy and to evaluate and recommend additional policy programs.

The output of the Team's work to date is documented in semi-annual updates that have been provided to your Board, and in the development of the County's Green Website: <http://green.lacounty.gov>. This website describes the environmental programs and activities undertaken by the County for both internal operations and on behalf of constituents. The development of the website has been a critical, initial role undertaken by the Team, to create a tool which documents and describes all of the County environmental efforts.

The Policy Team has also prepared a draft County Climate Change Program (Attachment IV), which provides a plan for reducing greenhouse gas emissions in County internal operations and for constituents, how to comply with legislative and regulatory policies and requirements, how to promote County programs, and how to fund and administer all activities. However, the Policy Team is, for the most part, a voluntary committee of department representatives willing to develop and propose new programs for the County's Energy & Environmental Policy. The Policy Team does not have the dedicated resources necessary to implement, administer and monitor all of the County programs.

In addition to this renewable energy policy, the Climate Change Program identifies 22 other programs that need this type of assessment, analysis and day-to-day management. As evidenced by the detailed report on developing a renewable energy program for the County, additional dedicated resources are required to manage and implement this effort.

Each Supervisor  
May 6, 2009  
Page 5

During the Final Changes phase of the FY 2009-10 budget process, we will recommend that your Board approve additional resources to further develop, implement, manage and measure progress of the Climate Change Program.

If you have any questions, or require further information, please contact Ellen Sandt, Deputy Chief Executive Officer, at (213) 974-1186 or [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov).

WTF:EFS:LS:ef

#### Attachments (4)

- c.     Assessor
- Auditor Controller
- Executive Officer, Board of Supervisors
- Acting Chief Information Officer
- Acting County Counsel
- Director, Internal Services Department
- Director, Public Works
- Acting Director, Regional Planning
- Treasurer and Tax Collector



## **ATTACHMENT I**

### **JANUARY 13, 2009 BOARD MOTION ON RENEWABLE ENERGY**

On motion of Supervisor Knabe, seconded by Supervisor Yaroslavsky, unanimously carried, the Chief Executive Officer (CEO) was directed to take the following actions:

1. Examine the practicality of Los Angeles County offsetting a minimum of 10% up to as much as 100% of our current annual electrical needs through the use of renewable energy with the research to include the viability of the County purchasing renewable energy credits and the use of renewable energy, which shifts the amount of conventional electricity generation required away from fuels like natural gas, coal and oil;
2. Report back to the Board within 90 days on the County's current annual energy usage and costs, along with options for the County to begin purchasing renewable energy;
3. Provide an analysis of how the use of renewable energy or the purchase of energy credits would work in conjunction with the County's existing Energy and Environmental Policy, specifically including:
  - How the costs and benefits of purchasing electricity from renewable energy sources compare to the costs and benefits of investing money in improving the energy efficiency of the County's operations;
  - How the County's Energy and Environmental Team can effectively evaluate and implement on an ongoing basis the most cost effective and efficacious options for reducing the County's contribution to air pollution and greenhouse gas emissions;
  - What the County's Energy and Environmental Team's role is, and what it should be, in ensuring that the Energy and Environmental Policy is consistently implemented by all County Departments; and
  - What centralized mechanism, if any, exists in the County to track, coordinate, implement, monitor, and prioritize the variety of efforts currently underway to enhance the environmental sustainability of the County's operations, including but not limited to increasing our energy efficiency, combating global warming and air pollution, reducing the generation of solid waste, and improving water quality;
4. In coordination with the Intergovernmental Relations Unit, incorporate a solar installation program as well as other appropriate renewable-energy and energy-efficiency proposals as part of our Economic Stimulus funding request;

5. With appropriate Departmental staff, report back to the Board by January 31, 2009 with an action plan for developing a Comprehensive Renewable Energy Program with the action plan to include recommendations on:
  - Timeframes for meeting key benchmarks (including proposal development, program establishment, and implementation); and
  - An outreach plan to incorporate community input from residents, developers, and other interested stakeholders;
6. Report back to the Board with a comprehensive proposal for a Renewable Energy Program no later than April 1, 2009 with the proposal to include, but not be limited to:
  - A cost analysis, feasibility assessment and recommendations regarding constituent-focused initiatives to be included in the Program. The proposal should include an analysis of community choice aggregation, home energy audits, financing of residential renewable energy products, and other initiatives as deemed appropriate;
  - Policy recommendations for renewable projects on County property, including protocols for public-private partnerships, new construction, leased facilities, and existing buildings;
  - Identification and recommendations of existing best practices and opportunities to partner with other local jurisdictions;
  - Benchmarks for the Board to consider adopting regarding conversion to a renewable energy portfolio to meet our electrical needs;
  - Strategy for soliciting Federal Energy Block Grants funds to support a comprehensive Renewable Energy Program; and
  - Additional recommendations for inclusion in our State and Federal legislative agenda; and
7. Identify and coordinate all approved motions relative to improving the health of the environment and the related well being of County residents.





County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

**WILLIAM T FUJIOKA**  
Chief Executive Officer

February 20, 2009

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", written over a horizontal line.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**RENEWABLE ENERGY PROGRAM: INITIAL RESPONSE TO JANUARY 13, 2009 BOARD DIRECTION**

On January 13, 2009, on motion of Chairman Knabe, as amended by Supervisors Ridley-Thomas and Yaroslavsky, your Board adopted an integrated series of actions directing the Chief Executive Officer (CEO), working in collaboration with the County's Energy and Environmental Policy Team and all appropriate County departments, to outline an action plan for the development of a Comprehensive Renewable Energy Program. The Board's action also outlined technical, organizational and fiscal analytical steps to be included in the action plan to ensure that all appropriate components are included in the Renewable Energy Program. The action plan was requested by January 31, 2009; the CEO issued a memo February 4, 2009 requesting an extension to February 20, 2009.

The CEO, working with the Energy and Environmental Policy Team, augmented with representatives of the Assessor, Auditor-Controller, County Counsel, and Treasurer-Tax Collector has prepared the attached outline of an action plan for the development of a Comprehensive Renewable Energy Program benefiting both County operations and County constituents (Attachment I). As noted in Attachment I, lead and support departments have been designated for each of the six action element teams, and the initial issues and tasks to be undertaken by each team have been determined. At the present time, each team is conducting scoping meetings to more fully develop the issues and tasks as well as a timeline for development of the team's element of the Renewable Energy Program. Each team is also to identify appropriate outreach strategies to engage community residents, and other interested stakeholders.

As described above, the CEO, with input from the Energy and Environmental Policy Team, will assume the following responsibilities:

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- Assess how the Renewable Energy Program, and other energy and environmental programs, may be best organizationally located within the County to ensure maximum involvement by, and inclusion in the daily actions of, all departments;
- Provide direction to and ensure the integration of the work of the teams as appropriate;
- Ensure that the work of the teams includes reliable information analyzing the cost and feasibility of the both County and constituent focused initiatives;
- Consider how the provisions and funding included in the Federal American Recovery and Reinvestment Act may be utilized to advance the County's Renewable Energy Program; and
- Ensure that implementing the Renewable Energy Program for consideration by the Board is coordinated with an integrated energy/environmental legislative strategy for the inclusion of any new action items in the County's State and federal legislative agendas.

The CEO and Internal Services Department, as the Chair of the County Energy & Environmental Policy Team, are also developing a more global Countywide Climate Change Program. This program will incorporate the current efforts of a variety of County programs, including the Renewable Energy Program, and will include future action items that will enable the County to enhance the health of the Los Angeles environment. In keeping with your Board's direction, it is anticipated that the Countywide Climate Change Program will be presented to your Board by April 1, 2009, along with the next status report on the Renewable Energy Program. This proposed program will be consistent in scope with Climate Action Network Best Practices Framework as jointly adopted by the California League of Cities and the California State Association of Counties. The Countywide Climate Change Program will include proposals on how all of the County's energy and environmental efforts will be centrally assessed, developed, implemented and administered.

If you have any questions or require further information, please contact Deputy Chief Executive Officer Ellen Sandt at [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov) or 213-974-1186.

WTF:SRH:ES:LS:SW:LR:ef

#### Attachments

c:     Executive Officer, Board of Supervisors  
       County Counsel  
       Assessor  
       Auditor-Controller  
       Treasurer-Tax Collector  
       Chief Information Officer  
       Director, Internal Services Department  
       Director, Public Works Department  
       Acting Director, Regional Planning Department



## ATTACHMENT III

### RESPONSES TO JANUARY 13, 2009 RENEWABLES MOTION AND AMENDMENTS

This document identifies each Board motion from January 13, 2009 (in bold, italics), followed by a discussion of each issue.

- 1. Examine the practicality of Los Angeles County offsetting a minimum of 10% up to as much as 100% of our current annual electrical needs through the use of renewable energy with the research to include the viability of the County purchasing renewable energy credits and the use of renewable energy, which shifts the amount of conventional electricity generation required away from fuels like natural gas, coal and oil.***

The options for the County to begin purchasing renewable energy include the following:

- 1) Purchase "Green Credits" from Utility Companies
- 2) Direct Funding and Installation of Renewable Projects on County Facilities
- 3) Private Financed Power Purchase Agreements
- 4) Energy Tax Credit Bonds
- 5) Large Renewable Power Projects on County-Owned or Other Property with Excess Power Credited through the Utility Grid

#### Purchase "Green Credits" from Utility Companies

The County could purchase renewable energy, or "credits," from the utilities. The utilities provide renewable energy to retail customers which they have purchased from other wholesale power sources. The utilities charge retail customers an approximate 20% premium over their current energy prices in their rates. This program, including documentation of renewable power purchased by the utilities and pricing to retail consumers, is regulated by the California Public Utilities Commission (CPUC). There is no change in utility service or delivery. The advantage of purchasing "credits" is that there is no up front cost or investment in a renewable installation. The disadvantage is that there is no utility savings or cost avoidance (i.e., the economic Net Present Value of a renewable "credits" program will always be negative).

This is one way that companies may show their support for renewable power by agreeing to pay the premium. However, purchasing "green credits" may also be useful when evaluating Leadership in Energy and Environmental Design (LEED) Certification of a new or existing building. LEED credits can be earned by purchasing green "credits" to offset a percentage of the buildings power (35% for new buildings and 25 to 50% for existing buildings) for two years. A 20% premium on 25 to 50% of a building's power results in 5 to 10% increase in the building's utility bills for a period of two years. Under some circumstances this may be an effective way of earning LEED credits towards certification.

For example, the ISD Headquarters building is responsible for an annual electricity bill of about \$100,000 per year. The table below indicates how LEED credits might be earned by either installing a renewable power system or purchasing "green credits."

<b>ASSESSMENT OF EARNING LEED RENEWABLE CREDITS ON ISD HEADQUARTERS</b>				
<b>Option</b>	<b>Upfront Cost</b>	<b>Annual Cost</b>	<b>Annual Benefit</b>	<b>Evaluation Comment</b>
Buy “green credits” to offset 50% of consumption	\$0	\$10,000	\$0	2 years of purchases required for certification.
Direct installation at Headquarters site (offset 50% consumption)	\$750,000	\$0	\$50,000	Approximate 15 year simple payback for direct installation. Assumes no utility rate escalation or other financial factors.

This example indicates the short term financial benefit of using “green credits” to obtain LEED credits for a building. A more detailed assessment of utilizing renewable in County facilities, including additional assumptions and financial analyses, is described later in this report.

#### Direct Funding and Installation of Renewable Energy on County Buildings

Solar power installations and solar water heating installations are the most common types of renewable installations for buildings. For the purposes of this analysis, solar water heating is not quantitatively addressed with regard to an overall County Renewable Energy program because of the limited applications. Instead this report addresses solar power installations.

For the purposes of economic analyses, the general performance benchmarks listed below are used. These are the same performance benchmarks that were derived for use on the County Solar Map.

- Cost per solar installation capacity - \$6,000 per kilowatt (kW)
- Amount of viable sunlight per day – 5.5 hours
- Solar energy production from a 1 kW installation – 2000 kilowatt-hours (kWh) per kW per year
- Average Peak period electricity cost avoided - \$0.15 per kWh
- Typical evaluated life of a solar installation - 20 years

These are typical figures found in residential and small/medium sized commercial applications. Due to economies of scale, the larger the installation, the lower the unit costs. However, for the purposed of providing general guidelines for renewable policy development, these figures are adequate. Many other factors influence the overall economic evaluation of a solar installation. These include: lower installation costs due to market supply and demand, State incentives for installing solar, federal and State tax incentives, and escalation of utility rates over time. Each of these are discussed below.

#### Financed Installation of Renewable Energy on County Buildings – Power Purchase Agreements

Power Purchase Agreements (PPA) are a popular alternative to direct installation and payment of renewable installations at public agency facilities. Currently, renewable installation owners are provided tax incentives which include significant tax credits and accelerated depreciation. PPAs allow the County to recoup these tax incentives from the developer. Under a PPA the following arrangements exist:



- The project developer owns and maintains the installation, and receives the tax incentives
- The output of the installation is provided directly to the County facility
- The County pays a monthly amount to cover the cost of energy and the installation (which reflects the tax incentives received by the developer)
- The monthly price is negotiable, pricing terms could include:
  - Fixed price over the term
  - Variable pricing based on future electricity prices
  - Escalated payments
  - Options to implement new technologies or shorter terms
  - Guaranteed performance of the installation
- The County may own the installation after the term of the agreement
- Agreement terms are typically 20-30 years
- A lease arrangement would be needed for the structure or space the installation occupies

PPAs have been utilized by many other local governments, the California State University System, the Los Angeles Community College District, and the Los Angeles Unified School District. All of these public agencies have adopted aggressive renewable power policies and they are implementing them through the use of PPAs.

#### Other Financing of Renewable Energy – Tax Credit Bonds

Two federal tax credit bond programs exist to finance local government renewable energy and energy efficiency projects. Tax credit bonds allow bond holders to receive payments in the form of federal tax credits. Using the tax credits, local governments may issue these bonds to finance certain qualifying projects at interest rates significantly lower than typical tax-exempt bonds or taxable debt. These bond programs received \$4 billion in funding under the federal American Recovery and Reinvestment Act (ARRA) and are described below.

Clean Renewable Energy Bonds may be used only for qualified clean energy projects including: wind, biomass, geo-thermal, solar, landfill gas, trash-to-energy, clean coal and hydropower projects. \$1.6 billion was authorized under ARRA, to be allocated one-third to state, local, and tribal governments, one-third to public power providers, and one-third to electric cooperatives.

Qualified Energy Conservation Bonds received \$2.4 billion in ARRA funding and may be used for loans and grants for similar projects as well as these other purposes:

- Projects that reduce energy consumption in publicly-owned buildings by at least 20%;
- Implementing green community programs (e.g.; AB 811 financing programs);
- Public education campaigns.

These bonds are a separate ARRA funding source and are not tied to the ARRA Energy Efficiency and Conservation Block Grants or the State Energy Program competitive grants.

#### Developing a Large Renewable Project on County-owned or Other Property

Due to economies of scale, developing large renewable power projects on large properties is the most cost effective way to produce solar power. The County could develop a large scale solar project on its own property or enter into a joint venture arrangement for a solar project on other public agency property or private property that is suitable.

The County could “own” all or part of the power production from a large scale project depending on the type of joint venture arrangement. Typically, owners of this renewable power would make wholesale power transactions either directly with utilities or with power brokers who would find customers desiring renewable power. The State’s desire to increase the percentage of renewable power in utilities’ portfolios makes renewable power a desirable commodity.

Another advantage for the County “owning” renewable power comes from the passage of AB 2466. AB 2466 allows local governments to use a local utility’s distribution system to “transmit” excess renewable power generated at one site to other sites owned by that local government. For example, the County could generate large scale renewable power at a County-owned park, vacant lot, or (possibly) under a joint venture arrangement on a private lot. Any excess power not consumed at that site could be “transmitted” to other County buildings where the bills would be credited for the renewable energy provided. Presumably this credit would be at retail rates which should provide greater revenues than selling renewable power into the wholesale market.

#### Assessment of the Options for the County to Begin Purchasing Renewable Power

The table below provides a high level assessment of the costs and other financial considerations for the options discussed above.

<b>ASSESSMENT OF 10% COUNTY ELECTRICITY OFFSET W/ RENEWABLES</b>					
<b>Option</b>	<b>Upfront Cost</b>	<b>Annual Cost</b>	<b>Annual Benefit</b>	<b>20 Year Financial Evaluation (Net Present Value)</b>	<b>Comments on Each Option</b>
Buy “green credits” from the utilities to offset 10% of total County electricity consumption.	\$0	\$2.3 million	\$0	Minus \$28 million	Cost is based on current rates with no escalation. Annual expenditures are equal to spending \$28 million today.
Upfront funding and installation of renewable projects on County sites. No utility rate escalation.	\$250 million	\$0	\$12 million (immediate energy cost avoidance)	Minus \$100 million	Annual Benefit comes from avoided utility costs. Future escalation of utility rates is not considered here. Cost and benefits equivalent to spending \$100 million today.



<b>ASSESSMENT OF 10% COUNTY ELECTRICITY OFFSET W/ RENEWABLES (Cont.)</b>					
<b>Option</b>	<b>Upfront Cost</b>	<b>Annual Cost</b>	<b>Annual Benefit</b>	<b>20 Year Financial Evaluation (Net Present Value)</b>	<b>Comments on Each Option</b>
Upfront funding and installation of renewable projects on County sites, Considers escalation of utility rates.	\$250 million	\$0	\$12 million (immediate energy cost avoidance)	\$0	Net Present Value is zero if it is assumed utility rates approximately double over 20 years.
Third-party finance renewable installations on County sites using Power Purchase Agreements (PPA).	\$0	\$12 million (includes payment for power and capital)	\$12 million (annual benefit depends on PPA terms and future escalation of utility rates)	PPA customers are seeing positive NPV.	PPAs include utility rate escalation and pass through of tax incentives to the customer.
Large scale renewable project (financed)	\$0	\$12 million or lower due to economy of scale on cost per unit of power produced.	\$12 million (annual benefit depends on contract terms and future escalation of utility rates)	Should be positive	Benefits derived from utilization of tax incentives, value of power produced and escalation of utility rates.

There are many variables that will impact the financial evaluation of any project. These figures are provided to indicate general order of magnitude costs and benefits and comparative benefits of each option. A decision to purchase “green credits” or implement other types of renewable projects shall be considered in the context of the County’s financial situation and available funding sources.

- 2. Report back to the Board within 90 days on the County’s current annual energy usage and costs, along with options for the County to begin purchasing renewable energy.***

The table below provides information on the County's current annual energy usage and costs. Options for purchasing renewable energy are addressed under item #1, above.

<b>TOTAL ANNUAL COUNTY ENERGY USAGE AND COSTS</b>		
<b>COMMODITY</b>	<b>AMOUNTS</b>	<b>COMMENTS</b>
Electricity	1 billion kWh	Includes ISD Utilities Budget and non-centralized (DPW, Parks and Recreation)
Average Cost of Electricity	\$0.12/kWh	Peak period electricity (which solar offsets) is an average of \$0.15/kWh
Average Annual Electricity Payments	\$120 million	
Natural Gas (buildings)	7.7 million therms	Includes facilities where solar water heating potential should be evaluated.
Average Gas Cost	\$0.91/therm	This gas is purchased under the Gas Company tariff and prices are fairly stable. The tariff is currently oversubscribed and closed to large facilities.
Average Annual Gas for Buildings	\$7.0 million	
Natural Gas (Power Plants)	40.4 million therms	Opportunities to convert to renewable energy in Power Plants are extremely limited
Average Gas Cost	\$0.99/therm	This gas is purchased from the market and is extremely volatile; we have seen much lower prices than \$0.99 in the past. The Gas Company's tariff is currently closed to large facilities.
Average Annual Gas for Power Plants	\$40.1 million	This has ranged from \$20 million to \$70 million per year and reflects market volatility.
<b>TOTAL ANNUAL ELECTRICITY, GAS</b>	<b>\$167.1 million</b>	

**3. Provide an analysis of how the use of renewable energy or the purchase of energy credits would work in conjunction with the County's existing Energy and Environmental Policy, specifically including:**

- **3.1 - How the costs and benefits of purchasing electricity from renewable energy sources compare to the costs and benefits of investing money in improving the energy efficiency of the County's operations.**

The importance of continuing energy efficiency in existing buildings, whether County owned or otherwise, is emphasized according to the State of California's "loading order" which establishes the priorities for the State's utilities in ensuring energy supply and demand are balanced. The State's "loading order" is:



1. Implement all cost-effective energy efficiency projects.
2. Implement demand reduction programs which can reduce State-wide energy consumption under State ordered reduction periods.
3. Develop new generation resources (this includes the State's requirement that utilities achieve 20% renewable energy in their portfolios by 2010 and 33% by 2020)

This indicates that cost effective energy efficiency measures should always be considered before implementing renewable resources. Ideally, under a County Renewable Energy program, cost effective energy efficiency should be evaluated with renewables projects and both energy efficiency and renewables would be implemented together.

An assessment of the costs, cost effectiveness and impact of combining energy efficiency and renewable energy is indicated below.

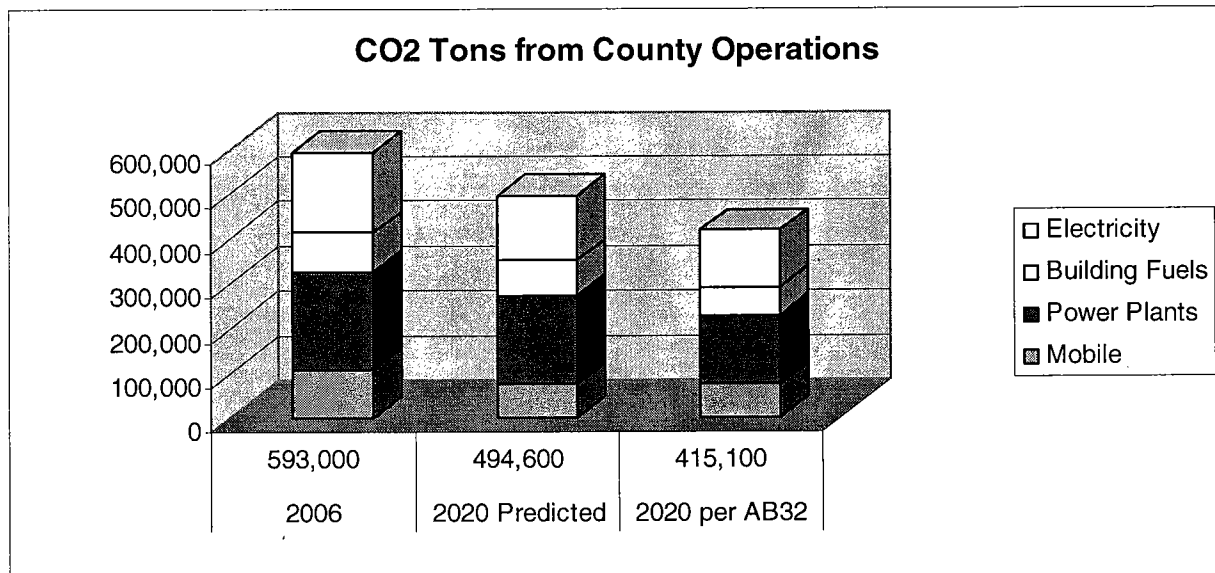
<b>Impact of Implementing Energy Efficiency Measures and Renewables on a Building</b>				
<b>Measure</b>	<b>"Typical" Building Cost</b>	<b>"Typical" Annual Building Savings</b>	<b>Simple Payback</b>	<b>Combined Payback</b>
Lighting Retrofit	\$100,000	\$30,000	3.3 years	
Facility Retrocommissioning (RCx)	\$200,000	\$50,000	4 years	
Chiller Retrofit	\$200,000	\$20,000	10 years	
Solar Installation	\$1,000,000	\$50,000	20 years	
Lighting + Solar	\$1,100,000	\$80,000		14 years
Lighting + RCx + Solar	\$1,300,000	\$130,000		10 years
ALL + SOLAR	\$1,500,000	\$150,000		10 years

This table illustrates why energy efficiency projects must continue to be undertaken in County facilities with or without renewable measures. This is consistent with the State's policy.

- ***3.2 - How the County's Energy and Environmental Team can effectively evaluate and implement on an ongoing basis the most cost effective and efficacious options for reducing the County's contribution to air pollution and greenhouse gas emissions.***

#### Evaluation and Implementation of Greenhouse Gas (GHG) Mitigation Options

The chart below illustrates how the County might achieve the same goal for greenhouse gas reduction that the State is mandated to achieve under AB 32; that is, reduce 2006 emissions by approximately 30% by 2020. The County, under this target, must measure current emissions and develop a plan to effectively evaluate and implement the most cost effective and efficacious options for reducing air pollution and greenhouse gas emissions on an ongoing basis in the categories listed below. The chart assumes that, absent any mandate to achieve the same reduction target the State faces under AB 32, overall reductions will occur due to energy efficiency improvements and reductions in transportation fuel consumption due to legislative mandates for fleet conversions.



The chart reflects most of the sources of GHG emissions in County operations. There are a few sources missing: refrigerants from building and vehicle air conditioning equipment, methane, and other GHG containing equipment used in the County, but they are anticipated to be less than 10% of the totals reflected here. The chart is further explained in section 6.4, below.

An effective strategy for reducing greenhouse gases in a cost-effective manner can be developed via the International Council for Local Environmental Initiatives (ICLEI) program “5 Milestones for Sustainability”:

1. Conduct a baseline emissions inventory and forecast
2. Adopt an emissions reduction target for the forecast year
3. Develop a Local Climate Action Plan
4. Implement policies and measures
5. Monitor and verify results

To implement this strategy, the following actions are required:

- Identify the sources of greenhouse gases
- Quantify the benefit of programs already underway that mitigate greenhouse gases (voluntary and regulated)
- Evaluate the ongoing benefits of continuing these programs
- Forecast County GHG production under these programs
- Establish County GHG reduction goals
- Identify other areas for mitigating further greenhouse gases (e.g., implementing a renewable energy program)
- Evaluate the costs of additional programs
- Identify funding sources for the additional programs
- Establish criteria for moving forward with additional GHG mitigation programs
- Assess the impacts of changes in County operations (e.g.; additional buildings, employees, altered County operations, energy efficiency programs) on GHG quantification and goal setting.

This entire process is made much more complex due to the last bullet above: assessing the impact of changes in County operations. This will be an extremely difficult task but it is a critical element in evaluating the County's greenhouse gas responsibilities. A 2006 greenhouse gas report has been established; additional years' reports are being developed. From these a regressive analysis back to a 1990 baseline will be attempted since accurate records for 1990 do not exist. Regardless, each year's quantification report will be impacted by the changes in County operations.

The County plans to utilize ARRA funding to develop a comprehensive Countywide Climate Action Plan for both internal operations and community (unincorporated area) greenhouse gas measurement, mitigation planning and program implementation.

- **3.3 - What the County's Energy and Environmental Team's role is, and what it should be, in ensuring that the Energy and Environmental Policy is consistently implemented by all County Departments; and**
- **3.4 - What centralized mechanism, if any, exists in the County to track, coordinate, implement, monitor, and prioritize the variety of efforts currently underway to enhance the environmental sustainability of the County's operations, including but not limited to increasing our energy efficiency, combating global warming and air pollution, reducing the generation of solid waste, and improving water quality.**

As these questions are closely related, they are both discussed together below.

#### Role of the Energy & Environmental Policy Team

The Energy & Environmental Policy Team (Policy Team) was created by the Board to bring together representatives from within the County to help develop the Countywide Energy & Environmental Policy and to evaluate and recommend additional policy programs.

The output of the Policy Team's work to date is documented in semi-annual status reports that have been provided to the Board and in the development of the County's Green Website: <http://green.lacounty.gov>. This website describes the environmental programs and activities undertaken by the County for both internal operations and on behalf of constituents.

Additionally, the Policy Team has developed the framework for an overall County Climate Change Program (Program). The Policy Team has developed a "by-function" organization chart which describes all of the ongoing programs underway within the County which reduce greenhouse gas production or provide other sustainability benefits both within internal operations and on behalf of constituents. A draft of the County-wide Climate Change Program is attached. In it, current programs are identified and grouped under these major categories:

- Energy/Water Efficiency and Conservation
- Green Buildings
- Internal Environmental Programs
- External (Constituent) Environmental Programs
- Public Education and Outreach
- Legislative and Regulatory
- Climate Change Program Management



Over 23 general programs are described under the major categories. The Climate Change Program was created using two documents: The Institute of Local Government's (ILG's) Climate Action Network Best Practices Framework for Local Governments and ICLEI's 5 Milestones for Sustainability. These documents represent the most comprehensive listing of action items and best practices for local government sustainability programs that the Team has identified to date. Both the ILG Framework and ICLEI's 5 Step Milestone may be found at <http://green.lacounty.gov>

The ILG is a consultant to the California State Association of Counties and the California League of Cities. They created the Framework to provide a comprehensive listing of sustainable best practices for local governments in a format which allows the local government to "grade" their degree of sustainability and compare themselves against other local governments. ICLEI – Local Governments for Sustainability is a non-profit organization dedicated to helping communities become more sustainable. ICLEI provides membership networking for local governments around the world. ICLEI also provides a number of tools for implementing Climate Change programs.

#### Implementation of the County Climate Change Program by Departments

The Policy Team has provided policy and program recommendations and has prepared a draft Climate Change Program which provides a plan for moving forward with reducing greenhouse gas emissions in County internal operations and for constituents, how to comply with legislative and regulatory policies and requirements, how to promote County programs, and how to fund and administer all activities. However, the Policy Team is, for the most part, a voluntary committee of department representatives willing to take on the challenge of moving the County forward in establishing and implementing sustainability goals. The Team has no direct authority or responsibility to ensure departmental compliance.

The Climate Change Program indicates that the CEO retains overall administrative responsibility and authority as required by the County's governance structure. The CEO clusters are best equipped to ensure program compliance by departments. Policy oversight and recommendations are provided by the Energy & Environmental Board deputies and the Policy Team.

The major categories containing the various Climate Change programs are led by combinations of CEO Clusters and responsible departments. Programs within the categories are led by responsible departments. The Climate Change Program covers internal and external (constituent-based) activities. It also includes marketing and outreach, again both internal to the County and external. The Climate Change Program also addresses legislative and regulatory activities which impact many departments as regulated mandates are developed at the State and federal level. Lastly, funding issues are also addressed as grants and other opportunities exist to support the activities of the Climate Change Program. The scope of this effort requires that the CEO retain authority to direct the many departments that are involved in overall County Climate Change Program implementation.

#### Resources to Coordinate These Efforts

The Policy Team, as noted earlier, is an ad-hoc committee and is not sufficiently resourced to track, coordinate, implement, monitor and prioritize all of the activities contained in the County Climate Change Program. The following recommendations would strengthen the initial coordination of the Program and its activities:

- Individual departments must dedicate or re-prioritize resources to the implementation of the County Climate Change Program;
- Block Grant and other “one-time” funding is available to assist with managing and implementing the Program, but cannot be relied upon to fund permanent County positions;
- The Policy Team will be provided these dedicated (or re-prioritized), departmental resources and a portion of “one-time” funding to dedicate to full-time support and implementation of the County Climate Change Program under the direction of the CEO;

However, to effectively manage this effort over the longer term, additional dedicated resources will be required. The Policy Team and the CEO will explore and propose how the County Climate Change Program support resources should be made permanent as these issues (energy, environmental, sustainability, and climate change) are not considered transitory.

During the Final Changes phase of the Fiscal Year 2009-10 budget process, the CEO will work to identify additional, dedicated resources to manage and implement this effort.

***4. In coordination with the CEO’s Intergovernmental Relations Unit, incorporate a solar installation program as well as other appropriate renewable-energy and energy-efficiency proposals as part of our Economic Stimulus funding request.***

As noted in prior Board status reports, the County developed a listing of energy related projects for consideration in the Federal American Recovery and Reinvestment Act (ARRA). On March 26, 2009, the Department of Energy announced Energy Efficiency and Conservation Block Grant (Block Grant) funding totaling \$15.4 million for Los Angeles County. Local governments must submit proposals to secure the block grant funding by June 25, 2009.

The CEO and ISD are currently developing grant applications, which are due by June 25, 2009. This will include a significant component for constituent programs, as described further in Section 6, below, including addressing AB 811 and other solar/renewable initiatives.

***5. With appropriate Departmental staff, report back to the Board by January 31, 2009 with an action plan for developing a Comprehensive Renewable Energy Program with the action plan to include recommendations on:***

- ***5.1 - Timeframes for meeting key benchmarks (including proposal development, program establishment, and implementation); and***
- ***5.2 - An outreach plan to incorporate community input from residents, developers, and other interested stakeholders.***

We recommend that the County proceed with offsetting 1% of its current electricity consumption with renewable power and that the projects be financed using PPAs. This activity could proceed immediately. Additional timeframes and benchmarks for implementing further renewable projects in County facilities are listed below. Also, timeframes for developing a Comprehensive Renewable Energy Program, including communities and input from communities, is also shown below. Benchmarks for community input are determined from the milestones dates for the Block Grant funding schedule.

<b>Benchmarks and Timeframe for Comprehensive Renewable Energy Program</b>		
<b>Internal Operations Milestone</b>	<b>Timeframe</b>	<b>Comment</b>
Offset 1% of County consumption	Immediately	Finance using PPAs
Implement cost-effective Solar Water Heating	1-2 years	Identify using Solar Map, finance using PPAs
Investigate and implement additional solar power potential	Through 2015	Identify using Solar Map, augments Policy Goal of 20% reduction by 2015
Investigate and implement (as deemed necessary) large scale solar project	By 2020	As part of matching with the State's AB 32 target (20% reduction of greenhouse gases by 2020)
<b>Community Program Milestone</b>	<b>Timeframe</b>	<b>Comment</b>
Community Outreach as part of Community Environmental Services (CES) and AB 811 Program development	Currently Ongoing	Will be ongoing as the viability of deploying Community Environmental Services (CES) and an AB811 Program is determined.
CES and AB 811 Program Proposal	June 25, 2009	Deadline to include Program in Block Grant application
CES and AB 811 Program Implementation	March 2011	Deadline to encumber Block Grant funds

The Policy Team is currently communicating with existing, local government energy agencies to evaluate collaboration opportunities on CES and AB 811. As part of the development of the CES program community input forums will be provided. The timeline for these will be driven by the deadlines under the federal Block Grant program:

- Block Grant application due: June 25, 2009
- Block Grant funds received: September 2009 (anticipated)
- Block Grant funds must be encumbered: 18 months after funding
- Block Grant funds must be spent: 36 months after funding

**6. Report back to the Board with a comprehensive proposal for a Renewable Energy Program no later than April 1, 2009 with the proposal to include, but not be limited to:**

- **6.1 - A cost analysis, feasibility assessment and recommendations regarding constituent-focused initiatives to be included in the Program. The proposal should include an analysis of community choice aggregation, home energy audits, financing of residential renewable energy products, and other initiatives as deemed appropriate.**

The County has an unincorporated area population of over 1 million and has relationships with all of the 88 incorporated cities within the County boundaries. The enactment of AB 32 and other greenhouse gas mitigation legislation require significant reductions in carbon dioxide and other global warming potential gases. The County can support its constituents and help further regional collaboration in meeting these goals by developing Community Environmental Services Programs for constituents.



## Community Environmental Services Program

The Community Environmental Services Program would provide support to constituents in areas such as energy and water efficiency, renewable resources, green building implementation, operations and maintenance, recycling and waste management, vehicle fuel efficiency, and planning and land use.

The potential scope of offerings to be provided by a Community Environmental Services Program could include the following:

- Provide education, outreach on energy and environmental issues
- Provide energy audits, baselines, benchmarks and performance ratings for existing buildings
- Identify energy efficiency and renewable energy measures in existing buildings
- Provide incentives for implementation of measures
- Provide municipal financing or other “green financing”
- Provide green job and skills training
- Support regional efforts on greenhouse gas reporting and reduction programs
- Provide support on existing County programs impacting constituents
  - Support implementation of the County’s Green Building ordinance
  - Support on the County’s Drought Tolerant Landscaping and Low Impact Development Standard ordinances
  - Enhancing the County’s existing recycling and waste diversion programs run by Public Works’ Environmental Programs Division

The services will be provided primarily through partnerships with existing organizations that already provide a portion of these services or by partnering with non-profit organizations that work with communities to develop these types of programs. Existing community organizations could be enhanced using County resources including, but not limited to, funds obtained through ARRA, existing departmental expertise in these areas, and through enhancing new County outreach tools like the County’s Green Website (<http://green.lacounty.gov>) and the County Solar Mapping Portal (<http://lacounty.solarmap.org>).

## Local Government Community Environmental Services Program Examples

There are numerous examples of local government programs that offer energy and environmental services to constituents. Several prominent ones are listed below. A handful of progressive local governments have developed internal organizations for providing energy and environmental services for constituents. Others have collaborated to create Joint Powers Authorities where pooled resources are utilized to reach constituents in a region.

- South Bay Environmental Services Center (South Bay Cities COG JPA);  
<http://www.sbesc.com>
- City of Santa Monica Office of Sustainability and the Environment (City Division);  
<http://smgov.net/epd>
- Ventura County Regional Energy Authority (Ventura County Public Agencies JPA);  
<http://www.vcenergy.org>
- Center for Sustainable Energy (San Diego County public/private joint venture);  
<http://www.sdreo.org>
- San Francisco Department of the Environment (City/County Department);  
<http://sfenvironment.org>
- Sonoma County Energy Independence Program (County/Cities JPA Program);  
<http://www.sonomacountyenergy.org>

## Possible Funding Sources for Community Programs

A variety of programs could provide funding for this type of effort.

As mentioned earlier, ARRA includes formula Block Grants for local governments. Under this program the County has been allocated \$15.4 million. Under the Block Grant descriptions, funds may be used for community programs that provide outreach, technical support and programs for implementing energy efficient measures. A Block Grant proposal and strategic plan is due to the Department of Energy (DOE) by June 25, 2009. In addition, ARRA provides for State Energy Program Competitive Grants; initial discussions indicate that State Grants might be used to leverage block grants used on "Green Community" programs.

Since 2002, the County has received funding from the State's Investor Owned Utility (IOU) Energy Efficiency program. Under this program, the County is currently a Local Government Partner with Southern California Edison (SCE) and the Gas Co. This funding has been used exclusively for improvements in County buildings; however, funding may be used on community programs. The program is currently being developed for a 2009-11 cycle. ISD is in discussions with SCE and the Gas Co. regarding support for the Community Environmental Services Program. Approval by the California Public Utilities Commission (CPUC) for all program proposals is anticipated around August of this year. The IOU Energy Efficiency programs place great emphasis on achieving energy savings, so community program funding should emphasize incentives for implementing energy efficiency measures or providing energy efficiency outreach and education.

Under AB 811, which was signed into law in 2008, local governments may finance energy efficient and renewable resource improvements to private buildings. The financing is provided by the local government and is secured by a lien against the property. The lien is paid off through an assessment on property tax bills. A separate committee under the Policy Team is investigating the feasibility of implementing an AB 811 program for the County. Under AB 811 local governments are allowed to collect program start-up and administrative costs in the financing charges. It appears that Block Grants may be used on AB 811 programs to fund start-up and operational costs and to provide project incentives.

Under a regulated, greenhouse gas reduction program, emissions allowances (permits to produce greenhouse gases), offsets (verifiable market reductions) and credits (reductions that occur outside the market) may be bought and sold among market participants. This is called a "Cap & Trade" program. California has not yet implemented Cap & Trade under AB 32. However, a western North America or national Cap & Trade regime may be implemented before California's. Both are under development. The County and others are advocating (at the State, regional and national level) that energy efficiency and renewable energy programs, especially those developed and administered by local governments, should be provided with financial recognition for the GHG reductions they produce. Cap & Trade revenues could also support community programs.

Other support for Community Environmental Services Programs could come from involved departments. ISD's Energy Management Division could provide technical support on energy matters. Regional Planning and Parks and Recreation could also provide technical and outreach support. DPW's Environmental Programs Division (DPW/EPD) already provides community services for recycling, waste diversion and waste reduction. A Community Environmental Services Program could leverage DPW/EPD's outreach resources.

A variety of other federal and State energy and environmental grant opportunities exist which can support a County Community Environmental Services Program. These will be researched as well.

#### Program Management and Implementation Options

Various options are being investigated to determine how this Program would be managed. As mentioned earlier, organizations exist that have experience in developing these types of projects and could provide staff and contracted resources. Another option would be to utilize the Community Development Commission (CDC) to provide management oversight and field support. The CDC has experience in providing community services and an established presence in the County's communities.

Field offices may be developed by integrating with existing community offices (e.g.; the South Bay Environmental Services Center or other regional Council of Government organizations) or implemented in conjunction with The Energy Coalition (TEC). TEC is a non-profit organization that specializes in developing and administering these types of programs in targeted communities and works with local governments to establish these offices. Additionally, these offices could be co-located in existing County field offices (e.g., Public Works, Regional Planning).

The County's environmental websites will also be a cost-effective way to provide information to the community.

#### Cost Estimates

The local community energy and environmental services program examples cited above provide good examples of the order of magnitude budget for these offices. We have obtained the budgets for South Bay Cities Environmental Services Center, Ventura County Regional Energy Alliance and other local government energy efficiency partnerships. These budgets cover all operating costs (staff, rent, materials, marketing, and incentives for implementing projects). Increases in budgets to cover the full range of services listed earlier (including developing an AB 811 program) have been considered as well. The estimate below is based on this information.

It is proposed that the Federal Energy Block Grants be used to initially fund this effort and that as much as \$10 million of the County's total (\$15.4 million) be used to provide these services to targeted unincorporated areas (and to possibly include partnering with adjacent cities to cover all constituents).

Using Block grant funding requires that the funds be encumbered within 18 months after receiving them; we currently estimate Block Grant funds could be received around September of 2009. The Block Grant funds must be spent three years after they are received. To make the programs sustainable in the long term, funding from the other sources described above will also be obtained. The primary source of funds in the future will likely come from an AB 811 program that allows for operating costs to be recovered and in expanding the County's partnership with SCE and the Gas Co. to include community programs.

#### Community Choice Aggregation

Community Choice Aggregation (CCA) allows local governments to purchase or provide power on behalf of its constituents. This would take the place of power provided to constituent ratepayers by the local utility. The local utility would still deliver the power through its lines and wires and provide services such as customer service, billing and collections, trouble shooting,



etc. CCA was created under AB 117 and signed into law in 2004. The CPUC has adopted regulations governing how local governments would operate a CCA program in conjunction with investor owned utilities. The benefits of CCA include:

- Possible, long-term savings on the power portion of utility bills;
- Local governments can determine the amount of renewable power received in their community;
- Local governments can establish their own power rates for residential, commercial and industrial customers (ratemaking is often used to incentivize economic development or other programs);
- Local governments can use energy efficiency surcharges (that all ratepayers currently pay to the utilities to fund their general efficiency programs) to create community-based energy efficiency or renewable programs

The drawbacks of CCA include:

- Developing or purchasing power has risks and it is possible that CCA rates will be higher than the utilities;
- Creating a CCA is complicated and there are up front costs involved with implementing a CCA program;

In 2004, ISD commissioned a CCA feasibility study for County unincorporated areas. The results of that study concluded that CCA was not yet cost-effective. However, the report did not address the desirability of communities to use more renewable power in spite of higher prices. The report also did not address the legislative and regulatory mandates of AB 32. That study will be updated using current forecasts for market energy and renewable power. CCA will be included as a program to be evaluated under the Community Environmental Services Program. However, ISD can maintain budget responsibility for continued investigation of CCA for the County. CCA has been investigated in San Francisco City/County; the Cities of San Marcos, Chula Vista, Palm Desert; and the local communities that receive power from the Kings River Conservation District (including Tulare County). Each potential program has taken several years to progress to a point where the program could be brought to their respective governing boards for approval. Only the Kings River Conservation District CCA program is moving forward towards implementation. CCA will be a long-term project.

• ***6.2 - Policy recommendations for renewable projects on County property, including protocols for public-private partnerships, new construction, leased facilities, and existing buildings.***

The Policy Team has developed a Renewable Energy committee to investigate, develop and propose policy recommendations. This group has met several times and has addressed the following options for utilization of all renewable power in the County:

- Determine if the County should support privately developed, large-scale renewable projects located in the County. For example, the County reviews siting plans and is the permitting authority on construction. Thus, the County could expedite these processes to support the State's goal of developing more renewable power sources.
- Streamline the site permitting process and make clear to developers who in the County will coordinate the development of large-scale renewable projects.
- Investigate the viability of a large-scale renewable project on County-owned property.

- Investigate Public-Private partnerships between the County and private developers on large-scale renewable energy projects so that the County may own renewable power for its own uses.
- Develop a policy for integrating renewable power into new County construction projects and existing buildings utilizing the Solar Map to prioritize sites.
- Develop a renewable program for constituents under AB 811 and integrate it into the County Solar Mapping Project and the County Green Website.

Additional issues that have been considered in developing recommendations for a County Renewable Policy include:

- The cost-effectiveness of renewable energy in County facilities was weighed against the cost-effectiveness and ongoing need for energy efficiency improvements.
- Current and forecasted costs of renewable power (whether developed or purchased) must be assumed in any economic evaluation.
- Forecasted costs of electricity provided by the State's utilities must be included in any economic evaluation.
- Policy and regulatory issues regarding the State's intent to increase the viability and use of renewable energy must be considered and monitored.
- Selected, viable projects should utilize Power Purchase Agreements (PPAs) which allow private developers to build and own the projects, utilize tax incentives, and pass them along through monthly payments the County would make for power output from the projects.
- Project financing on a larger scale should consider using other financing such as Qualifying Energy Conservation Bonds or Clean Renewable Energy Bonds which provide tax credits for buyers of the bonds. These bonds were supplemented under ARRA and are available for use on local government owned renewable energy projects.
- Purchased renewable power from the utilities is available to support LEED certification or other County policy goals (this purchased renewable power comes at about a 20% premium over typical utility power). As noted previously, LEED points can be acquired for offsetting 25 and 50% of projected energy use for two years; thus the overall utility bill would increase 5-10% for the site for two years.
- New legislation and regulations that will impact the economic viability of renewable power should be considered; e.g.,
  - SCE and the Los Angeles Department of Water and Power (LADWP) have developed new renewable power tariffs for customers,
  - The CPUC is investigating higher payments for customers that sell renewable power back to the utilities,

- The CPUC is developing a new tariff (under AB 2466) which allows local governments to generate renewable power in one location and receive credit for additional power generated against other accounts.
- Cap & Trade emissions markets are under development (for California, western North America, and nationally) and will determine the ownership and value of “renewable credits” and “carbon credits” developed from renewable projects;
- The County’s existing Energy and Environmental Policy goals; e.g., Cool Counties goal, achieving LEED certification for new (and possibly existing buildings), and energy efficiency consumption reduction targets, should be considered.

The following recommendations are being discussed for inclusion in a County Renewable Energy Policy, which will be presented to the Board for approval during FY 09-10.

- Investigate developing and financing a large-scale renewable project(s), independently or through a partnership with private and public entities, on County property or other property with the goal of owning a portion of the power output.
- Large scale renewable projects, or groups of small to medium facility specific projects, financed using federal tax-credit bonds: Clean Renewable Energy Bonds or Qualifying Energy Conservation Bonds.
- Develop and finance building-sized, renewable projects on existing County facilities;
  - The Solar Mapping Portal should be used to identify the best candidates for rooftop and open space renewable applications.
  - Where significant water heating is required, solar thermal water heating should be investigated in addition to solar power production.
  - Those sites should be audited to ensure all viable and cost-effective energy efficiency measures are implemented either before or in conjunction with renewable projects.
  - Highly attractive renewable energy projects on existing County facilities should be implemented immediately using PPAs so that the County may receive the benefit of significant tax incentives available for renewable installation owners and the project costs paid over time with the avoided electricity costs.
- For new construction, the develop and finance renewable projects;
  - An assessment of solar water heating and solar power production should be incorporated into the conceptual design (i.e., consider available roof and open space, peak power usage, water heating needs, viability of LEED credits for renewable power);
  - Consider financing the renewable energy project under a PPA or other vehicle that allows tax incentives to flow back to the County;
  - Where a renewable energy project is not deemed appropriate, consider purchasing renewable power from the utility supplier to obtain LEED renewable credits.



- Develop standards for County leased buildings related to energy issues. Standards for payment of utilities, implementation of energy efficiency, use of sustainable building operations and maintenance, and use of renewable energy will be re-evaluated when leases are renewed.

• **6.3 - Identification and recommendations of existing best practices and opportunities to partner with other local jurisdictions.**

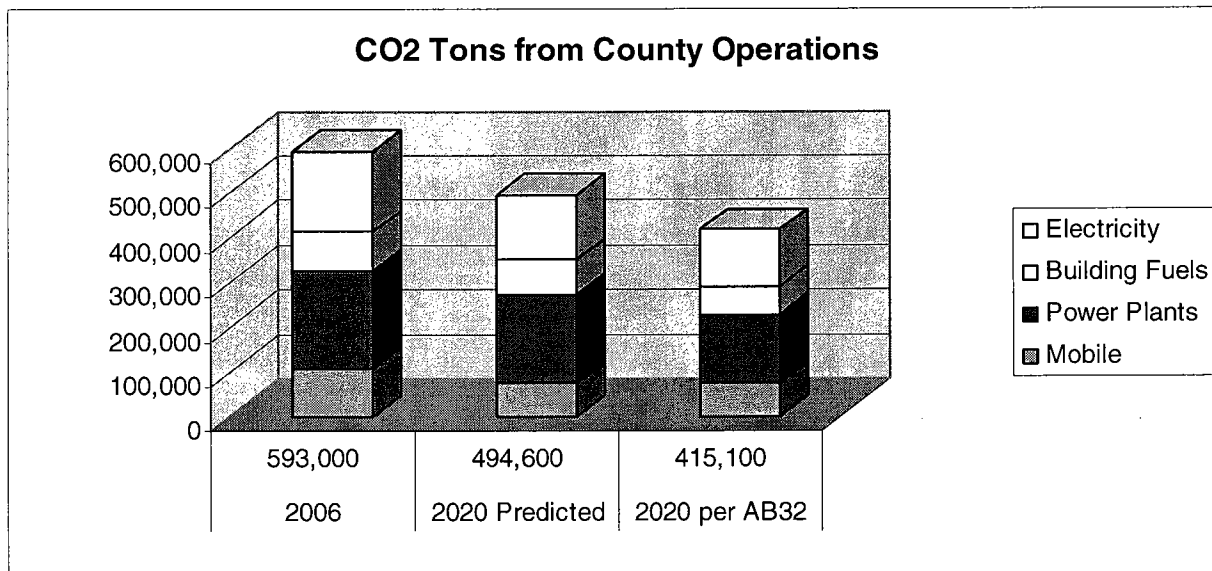
Currently, the best practices for renewable power for local governments would include:

- Implement all cost-effective energy efficiency in a County facility before developing a renewable power installation (or combine the renewable installation project with needed energy efficiency projects).
  - Investigate solar water heating at appropriate sites (e.g.; Parks facilities with pools, jail and hospital laundry facilities) before solar power production; it is more cost-effective because the equipment is less expensive to manufacture.
  - Larger renewable energy projects are more cost effective than multiple smaller ones and rules exist to permit excess, site power “credited” to other County accounts.
  - If multiple, viable renewable energy projects are pursued, they should be “aggregated” under a single solicitation to achieve economies of scale with the developer/contractor.
  - Partner with other like-minded local governments where possible, either on a large-scale project or on multiple projects.
  - The Community Environmental Services program should be made available to cities that wish to participate especially when an AB 811 municipal financing program is created.
- **6.4 - Benchmarks for the Board to consider adopting regarding conversion to a renewable energy portfolio to meet our electrical needs.**

Using Renewable Energy to Support the State’s AB 32 Goal and the Cool Counties Goal

AB 32 requires the State to reduce its GHG production to 1990 levels by 2020. Although not yet required to do the same, the County should consider that as a goal for internal operations. Adoption of such a goal would also support the objectives of the Cool Counties charter which the County adopted. The State has determined that achieving this goal would require an approximate 30% reduction in 2006 greenhouse gases by 2020.

Below is a chart indicating the respective contributions to the County’s “carbon footprint” in 2006, a very preliminary assessment of emissions in 2020, and the 2020 County target (30%) reduction if a goal consistent with AB 32 were adopted.



### 2006 Emissions

The 2006 column indicates CO2 from internal County operations as compiled by ISD and reported to the California Climate Action Registry. "Electricity" is that purchased from utilities or used from the County's power plants. "Building Fuels" are combustion emissions produced from boilers and emergency generators in County buildings. "Power Plants" emissions are from natural gas used in the County's cogeneration plants. "Mobile" are emissions from fleet and mobile equipment.

### 2020 Predicted Emissions

The 2020 Predicted column provides an assessment of where the County's internal emissions may be under status quo conditions, assuming electricity use will be reduced per the Policy goal of 20% reduction by 2015.

It is assumed building fuel consumption sources will reduce emissions by 10%. The efforts and cost to reduce the output, or emissions, of existing boilers and emergency generators by 30% still needs to be more thoroughly evaluated. For now it is assumed 10% reduction can be achieved by 2020.

It is assumed Power Plant emissions will reduce to 90% levels through efficiencies. Plant output could theoretically be reduced 30% but it would have a corresponding impact of increasing electricity consumption in other County facilities because the plants provide power (directly and indirectly) to County buildings.

It is assumed mobile combustion could achieve a 30% reduction if legislated targets are achieved. The State requires government fleets to achieve 100% compliance with Best Available Control Technology by 2011. We assume here that the targets will be achieved by 2020 in this case and that those achievements will result in 30% reduction in emissions through fuel economy. This needs to be evaluated more thoroughly but, based on input from other counties that have conducted similar analyses, this is a reasonable assumption.

## 2020 per AB 32

Based on these general evaluations, the County would still require about 80,000 tons of CO<sub>2</sub> reduction to achieve the AB 32 and Cool Counties target. In California, one ton of CO<sub>2</sub> is offset with about 2,900 kWh of energy efficiency implementation or renewable power production. The 80,000 ton shortfall would require 230 million kWh of clean power production (or additional energy efficiency results) each year. Looking only at renewable power as possible resource to fill that gap, converting 23% of the County's current electricity consumption to solar power would ensure achievement of the AB32 goal under these assumptions. The discussion below illustrates how that might be accomplished.

## Available Solar in the County Using the Solar Mapping Portal

The Countywide Solar Map, developed by the CIO with assistance from ISD, is now on-line (<http://solarmap.lacounty.gov>). It provides initial estimates of solar power potential (using conventional solar photovoltaic panels which are commercially available) of every rooftop in the entire County. As part of the project, more detailed solar potential analyses were conducted for 800 County-owned buildings.

The Solar Map reports that there is a total of about 200 MegaWatts (MW) of solar power potential on all County-owned building rooftops. 200 MW represents approximately 100% of the County's peak power needs. Additionally, the Solar Map calculates solar potential on County-owned property exclusive of rooftops; this represents ground-mounted solar power potential. Per this analysis there is a total of about 6,000 MW of solar power potential on all County grounds. Given sufficient resources, it appears that the County has the potential to utilize solar power to provide a significant contribution to achieving an AB 32 reduction goal.

Below is a table showing the impact of offsetting County electricity consumption with solar power.

% of County Electricity Offset by Solar Installations	kWh produced by Solar (Using Solar Map Benchmarks)	Cost (Using Solar Map Benchmarks)	Percent Contribution to Achieving County AB 32 Target by 2020	Percent of County's Total CO <sub>2</sub> Responsibility
0.10	1,000,000	\$2,500,000	0.44	0.06
1	10,000,000	\$25,000,000	4.38	0.59
10	100,000,000	\$250,000,000	43.75	5.90
20	200,000,000	\$500,000,000	87.50	11.80
23	229,000,000	\$572,500,000	100	13.52
30	300,000,000	\$750,000,000	131	17.71
50	500,000,000	\$1,250,000,000	219	29.51

An additional product of the Solar Map program effort is the development of a spreadsheet illustrating each County building rooftop and every County-owned property (identified by parcel number) with corresponding solar power potential. The list can be sorted in a variety of ways: greatest solar potential, by Department proprietor, etc. This will be an extremely valuable tool for the County in assessing, prioritizing and evaluating future solar projects. The benefits, or savings, of using solar power resources are discussed elsewhere in this report.

## Financing Renewables – Achieving “Grid Parity”

Another benchmark for the County to adopt in implementing renewables would be to replace the cost of utilities (gas or electricity) with renewable resources where the payment for them are equal under a set of economic evaluations; this is called “grid parity.” Grid parity means that if a renewable resource project were to be financed, the initial years’ price for the energy commodity (gas or electricity) would be at a minimum equal to the current price of electricity or natural gas. This could be achieved through a Power Purchase Agreement (PPA).

PPAs for renewables projects can leverage significant tax incentives for private developers. It is conceivable that the monthly utility payment under a PPA could initially be less than what a facility is currently paying to its utility. This represents a reasonable target for renewable installations in County facilities. Other factors will impact the overall PPA economic analysis, including: escalation of monthly payments, escalation of utility rates, efficiency of the renewable project over time, performance of the renewable project over time, availability of new technologies. Unless the impetus for directly installing solar goes away, the County should select a site for installation of a renewable project and approve a project under a PPA so that experience may be gained. There are many resources for forecasting rates and energy prices; the California Energy Commission, the National Energy Information Administration, and a variety of wholesale power market indices can provide these forecasts.

## Financing Renewables - Energy Economics Variables

When evaluating the economics of renewable energy projects, financing options become critical due to the significant tax incentives that are available to private developers. Unlimited tax credits and accelerated depreciation allow developers to offset as much as 70% of renewables projects overall costs through these tax incentives.

Additionally the Federal Stimulus Package has provided funding for bonds which have traditionally used by local governments to fund clean power projects and energy efficiency projects. These bonds are Clean Renewable Energy Bonds and Qualified Energy Efficiency Project Bonds. They provide significant tax incentives for the bond purchasers and can be used to finance County renewable and energy efficiency projects.

Whether financed or paid with up front cash, the overall economic viability of renewables projects must be evaluated based on a forecast of utility rates. Simply put, the economic evaluation of these projects will be conducted as follows:

- Net Present Value of Project is a function of: [Cash Upfront], [Annual Payments], [Annual Benefits], [Period of Evaluation], [time value of money]
- Cash Up front = Zero if the project is financed
- Annual Payments = project finance payment
- Annual Benefits = the savings from utility rates each year

As utility rates vary, a forecast of rates over the Period of Evaluation must always be conducted in the economic analysis.

### **• 6.5 - Strategy for soliciting Federal Energy Block Grants funds to support a comprehensive Renewable Energy Program.**

Federal Energy Block Grants have been funded under ARRA. Each State’s allocation has been determined and each large city and county within California has been assigned a target Block Grant amount. The County’s share of the Block Grants is \$15.4 million.



A summary of the eligible projects for which the Block Grants is available from many sources. The Block grants may be used for Renewable Energy Projects on local government sites. However, because the Block Grants are a one-time funding source and because the County's potential for renewable power is so great, it is recommended that Block Grants not be used for County renewable projects. Renewable energy projects in the County should be financed using PPAs, Clean Renewable Energy Bonds or other available "green" financing vehicles. Because renewable projects provide a direct and quantifiable savings from utility bills, project financing is readily available and easily acquired.

The County should use the ARRA Block Grants to fund the development of a County Climate Action Plan to develop and implement an AB 811 program that includes financing of renewable projects on private development, and to provide outreach and education to the community. At this point, it appears that these are eligible activities under Block Grant rules. In addition AB 811 allows ongoing program management costs to be included in the financing charge so the program contains a potential, ongoing funding source.

In addition to Block Grants, competitive grants will be available from the State for energy efficiency and renewable projects. Preliminary indications from the California Energy Commission are that there is a strong desire to "leverage" competitive grant funds with Block Grant funding, especially where a local government has committed to using Block Grants as an instrumental part of developing and implementing an AB 811 program. This is another reason to prioritize Block Grants on AB 811 programs.

• ***6.6 - Additional recommendations for inclusion in our State and Federal legislative agenda.***

ISD, as the county's energy manager, is working with the CEO on the following proposals for possible inclusion in the County's State and Federal legislative agenda:

- Support continued enhancement of renewable energy tax credits to provide stability to the renewable industry and marketplace.
- Support legislation that provides renewable incentives for local governments in lieu of tax credits.
- Propose and/or support legislation that recognizes or rewards greenhouse gas reductions from local government administered energy efficiency and renewables programs whether under a Cap & Trade scheme or outside Cap & Trade.
- Support the expansion and upgrade of the transmission infrastructure that facilitates greater renewable power generation and delivery.
- Propose and/or support appropriate standards for the interconnection of distributed renewable energy generation; the creation of uniform, consistent standards for distributed net metering, and the requirement for utilities to credit renewable energy producers for all electricity delivered to the grid (at optimized retail rates).
- Support simplifying and standardizing the available incentives for renewable energy production (solar rebates or prices paid for grid delivered energy – "feed in" tariffs) for all sizes of generation capacity.

**7. *Identify and coordinate all approved motions relative to improving the health of the environment and the related well being of County residents.***

The County green website, (<http://green.lacounty.gov>) contains the most comprehensive listing and description of all recent environmental programs initiated or requested by your Board. Under the proposed County Climate Change Program, all current and additional motions and programs developed by the County will be identified, implemented and coordinated.

DRAFT - FOR DISCUSSION PURPOSES ONLY

Overall Program

COUNTYWIDE CLIMATE CHANGE PROGRAM

Program Administration: CEO

Energy & Environmental Board Deputies

Support: County Counsel, CEO Community & Municipal Services (CMS), CEO Internal Operations, CEO IGR, County Counsel

Energy & Environmental Policy Team

Individual Programs  
Coordinator

Energy/Water Efficiency and Conservation - Internal Operations  
Coordinator: CEO Internal Ops

Green Buildings

Coordinator: CEO CMS

Internal Environmental Programs

Coordinator: CEO Internal Ops

External Environmental Programs

Coordinator: CEO CMS

Public Education & Outreach

Coordinator: CEO CMS

Legislative & Regulatory

Coordinator: CEO Internal Ops

Countywide Climate Change Policy Management

Coordinator: CEO Internal Ops/CMS

Teams

Lead

Support

Typical Projects

Energy Efficiency - Existing Buildings  
Lead: ISD, CEO  
Support: E&E Policy Team, Dept. Maintenance orgs  
Policy target - 15% consumption reduction by 2015  
Performance Monitoring  
Benchmark County Buildings Performance

Capital Projects Program

Lead: CEO, DPW  
Support:  
LEED NC Silver Board Policy, Other Sustainable Design Policies  
Sustainability program for non-LEED projects  
Transition LEED NC to LEED EB  
Track Results

Climate-Friendly Purchasing  
Lead: ISD, CEO  
Support: Large Depts.  
Environmentally Preferable Purchasing Policy  
EPF&T  
Green contracting  
Sivordam, Plastic Bag Ban - County facilities  
Performance Monitoring

Land Use and Community Design  
Lead: Planning CEO  
Support: DPW, Parks  
Community and Neighborhood Plan  
New Development and Transit Systems  
Compact and Efficient Development  
General Plan includes GHG Considerations  
Increase Transportation Choices  
Open Space Planning, Natural Resource Preservation

Community Outreach  
Lead: CEO  
Support: Outreach Depts.  
Programs for underserved, hard to reach - DPSS, DCS, DSSS, Library  
Programs for Low Income, Public Housing  
Programs through Office of Small Business  
Public Health Program  
County Green Awards

Energy/Environmental Regulatory Compliance  
Lead: CEO  
Support: E&E Policy Team  
Identify New Requirements and Compliance: GHGs, Refrigerants, Fleet Compliance, Fuels  
Develop Countywide Tracking and Compliance Reporting

Program Goals, Performance Tracking  
Lead: E&E Policy Team  
Support:  
Develop goals, schedule, milestones, performance criteria  
Internal Operations GHG Quantification  
and Reduction Plan  
GHG Quantification and Reduction Plan  
Results Monitoring and Verification  
Performance Reporting  
Coordinate Emissions Market Participation

STATUS\*

Underway

Starting

Should Start

\* Preliminary self-evaluation

Water Conservation

Lead: DPW, CEO  
Support: E&E Policy Team, Dept. Maintenance orgs  
10% reduction 2008 & 2009  
Performance Monitoring  
Implement recycled water program

Existing County Buildings Best Practices

Lead: ISD  
Support: E&E Policy Team, Dept. Maintenance orgs  
Develop best practices MAO manual for existing County buildings  
Investigate, implement LEED EB Pilot programs  
Existing Buildings Performance Benchmarking

Waste Reduction and Recycling

Lead: DPW/EPD, CEO  
Support: E&E Policy Team, Dept. Maintenance orgs  
Existing Buildings Recycling Enhancement  
Source Reduction Programs  
Integrate into Construction, Demolition and Other Processes  
Performance monitoring

Countywide Green Buildings and Green Development

Lead: Planning CEO  
Support: Green Building Ordinance Team  
Green Building Ordinance  
LUS Ordinance  
Drought Tolerant Ordinance  
Implementation and enforcement

Public Agency & Community Collaborations

Lead: CEO  
Support: ISD, Planning, DPW, Parks  
L.A. Regional Sustainability Collaborative  
Programs with Existing Collaborations - COGs, Contract Cities, SCAG, etc  
Local Government Sustainable Energy Coalition  
Special Events - NACO Challenges, National Climate Conversation  
County Green Leadership Awards

Energy/Environmental Legislation Monitoring

Lead: CEO/IGR  
Support: E&E Policy Team  
Monitor and Track New Proceedings: AB 32, SB375, SB97  
Assess impacts, Coordinate Positions and Intervention  
Special Cases: Vernon Power Plant, SCQA/MD Lawsuit  
Develop and implement Climate Change legislation

Program Management

Lead: E&E Policy Team  
Support:  
Coordinate compliance with other policies: (Strategic Plan, Board Motions (local Counties))  
Provide regular reporting and updates to Board  
Track Programs and Teams Performance  
Track due dates, milestones, deadlines  
Manage consultants, technical resources, memberships (ICLEI, Climate Registry)

Employee Conservation Programs

Lead: ISD, DPW  
Support: E&E Policy Team  
Employee Energy & Environmental Fairs  
Employee Hybrid Purchase Program  
County-wide Conservation Program  
Employee Pre-Tax Transit Purchase  
Performance Monitoring

County Department Sustainability Programs

Lead: CEO  
Support: E&E Policy Team, Depts.  
Investigate, implement departmental sustainability programs  
Assist departments with programs

Green Fleet

Lead: CEO, DPW, ISD  
Support: Fleet Managers  
Develop centralized County strategy  
Monitor regulatory compliance  
Infrastructure Support - Charging Stations, Parking Spaces, etc.  
Implement centralized programs

Community Energy Programs

Lead: CEO, ISD  
Support: Planning, DPW, Parks  
Investigate, implement Community energy and environmental programs  
Investigate, integrate County financing (AB611) into community program  
Investigate Community Choice  
Investigate  
Implement Countywide Solar Mapping Portal

Marketing and Communications

Lead: CEO, ISD  
Support: E&E Policy Team  
Public Announcements, Reports to Constituents, Public Others  
Website Messages  
Website Management:  
green.lacounty.gov, Solar Map Portal

State and Federal Climate Change Funding

Lead: CEO, ISD  
Support: DPW, Planning  
Apply for Federal Stimulus Package Grants  
Lobby for Federal and State Climate Change government programs, grants  
Investigate and develop all sustainable funding sources.

Budget and Resource Administration

Lead: E&E Policy Team  
Support:  
Develop, propose and administer budget (as necessary)  
Develop, propose and administer resource and funding sources  
Acquire and manage outside funding sources

Renewable Energy

Lead: CEO, ISD  
Support: Renewables Policy Team  
Develop Policy for Regional Development of Large Scale Renewables  
Investigate County Large Scale Development Opportunities  
Constituent Programs - AB811  
Renewables in County Facilities - New and Existing

DPW Environmental Programs

Lead: DPW EPD  
Support:  
Integrate Programs Managed by DPW's EPD into Countywide Energy & Environmental Programs and Goals

Attachment IV



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

April 6, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **AB 811 IMPLEMENTATION – BI-MONTHLY REPORT FOR MARCH 2010**

On April 14, 2009, your Board directed the Chief Executive Officer (CEO), in coordination with the Treasurer and Tax Collector (TTC), the Director of Internal Services Department (ISD), and the Energy and Environmental Policy Team, to provide monthly reports on progress in establishing a countywide energy efficiency and renewable energy financing program pursuant to AB 811, Chapter 159 Statutes of 2008. In the July status report we indicated the reports would be issued bi-monthly.

Your Board also directed that the report should include: an implementation schedule that would permit the utilization of American Recovery and Reinvestment Act (ARRA) Federal Energy Efficiency and Conservation Block Grant (EECBG) or other federal stimulus-related funding; an assessment of financial viability; and an inventory of other appropriate funding sources.

### **Summary of Activities**

#### **Schedule Update**

A table indicating key milestones and updated implementation dates is included below. TTC, ISD, County Counsel, and the CEO's Operations and Community and Municipal Services Clusters met on March 12, 2010 with deputies from all five Board offices to provide a program status update, answer questions, and finalize implementation steps for the Los Angeles County Energy Program (LACEP).

*"To Enrich Lives Through Effective And Caring Service"*

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<b>LACEP Milestone Timeline</b>			
<b>Date</b>	<b>Milestone</b>	<b>Key Document/Activity</b>	<b>Responsibility</b>
June 2009	Initiate Outreach to Other Cities and Stakeholders	Conduct Stakeholder Input and Information Meetings	CEO, ISD
July 2009	Initiate Financial Analysis	Program Financial Model	TTC
November 2009	Program Designer, Implementer under Contract	ISD Energy Support Services Master Agreement (ESSMA)	ISD
November 2009	Complete First Phase Outreach to Other Cities to Include in Resolution	After Board approval of the program, cities must adopt a Council Resolution agreeing to join the County's program to participate.	CEO, ISD, TTC
February 2010	Continue stakeholder outreach and education	Marketing, Outreach Projects Assessment by ISD County Office of Sustainability (ISD-COS) and Program consultants	ISD, Consultant
April 2010	Board Meeting to adopt Resolution of Intention and set a date for Public Hearing	Resolution of Intention	TTC, County Counsel, Bond Counsel, ISD, CEO, Consultant
May 2010	Board Hearing to Establish District and Confirm Report (Policies and Financing Plan)	Resolution Confirming Report and Approving Program  Program Report  Form of Assessment Contract  Form of Bond Indenture  Resolutions Authorizing Establishment of Special Fund, Issuance of Bonds and Authorizing Validation Proceedings	TTC, County Counsel, Bond Counsel, ISD, CEO, Consultant
May 2010	Initiate Validation Proceeding	File Judicial Complaint	Bond Counsel, County Counsel
August 2010	Conclude Validation Process	Receive Judgment	Bond Counsel, County Counsel
September 2010	Begin Financing Programs	Financing Available for Initial Loans	TTC, CEO, ISD

### **Stakeholder Outreach**

ISD, TTC, and CEO have been working with individual cities and Council of Governments (COGs) to provide further information and proposed next steps for those interested in joining the County's Program. To date, the County group has met with the following COGs: San Gabriel Valley, South Bay Cities, Gateway Cities, Westside Cities, and Las Virgenes-Malibu. The group has also met or spoken individually with these cities: Los Angeles, Long Beach, Pasadena, Burbank, Santa Monica, Palmdale, Lancaster, Santa Clarita, Malibu, and Beverly Hills.

Additionally, ISD staff and the consultant team have met with other stakeholders that will play a key role in fully implementing the LACEP program throughout the region. These additional stakeholders include:

- Green Workforce Development organizations [Los Angeles Community College District, L.A. County Workforce Investment Board (WIB), L.A. City WIB, South Bay Cities WIB];
- Los Angeles Economic Development Corporation;
- Los Angeles Regional Collaborative;
- Los Angeles County Community Development Commission;
- Los Angeles County Building Industry Association;
- Local labor representatives (Service Employees International Union 660, Los Angeles Building and Construction Trades Council, Green L.A. Coalition); and
- Local utilities (Southern CA Edison, Southern CA Gas Company, Los Angeles Department of Water & Power).

### **Additional Grants in Support of AB 811**

ISD, on behalf of the Countywide region, submitted a single, statewide application in collaboration with the Association of Bay Area Governments, the Sacramento County Association of Governments, and the San Diego Association of Governments for \$75 million under a Federal Competitive EECBG grant program which will make available \$380 million from the United States Department of Energy (DOE) to counties and cities that were eligible for the formula-allocated EECBG. Up to 20 grants will be awarded for amounts between \$5 and \$75 million. These grants will support model,

regional programs that demonstrate greater participation in existing building retrofits and greater energy efficiency savings per project. The application was endorsed by the California Air Resources Board, the California Energy Commission, and Governor Schwarzenegger. Award notifications could be made as late as May 2010. If this grant is funded, ISD will act as the statewide and countywide region coordinator for the program funding. Out of the \$75 million grant request, approximately \$30 million is targeted for use in the County of Los Angeles.

The County was notified by the California Energy Commission (CEC) that our applications did not meet the minimum scoring thresholds for funding under their State Energy Program (SEP) competitive grant solicitations. The CEC made over \$110 million available to assist local governments to implement Property Assessed Clean Energy Programs (like the LACEP program under AB 811). ISD previously advised your Board of this grant solicitation. ISD and the County's Intergovernmental Relations Office in Sacramento met with CEC Commissioners and administrative staff to discuss the disqualification of the County's applications under this grant. The CEC expressed a desire to assist the County's LACEP. We will keep your Board apprised of the outcome of those discussions.

### **Program Design, Implementation and Administration Consultant**

ISD has been working with the LACEP consultant team to finalize design, implementation, and administration details. Program Design details will be documented in the Program Design Manual. The Program Design Manual contains specific LACEP details related to eligible property owners, eligible projects, project financing maximums and minimums, and other financing criteria. A less detailed document, the Program Report, has been prepared to satisfy legal requirements for formation of the County Program and to provide general information to the public about the LACEP.

ISD and the consultant team continue to develop processes for administering individual financing and project details, automating LACEP steps and tracking all required information. ISD and the consultant team are also working with a variety of other stakeholders, including the COGs and other cities, to develop a strategy for implementing the LACEP throughout the County.

### **Financial and Legal Activities**

TTC's financial advisor has developed various financial models which assess the program's economic feasibility based on a number of variables including: dollar amount of projects financed, number of projects financed over time, interest rate for individual loan agreements, repayment period, administrative costs, timing of bond sales, and

projected bond interest rates. The model is being reviewed by the County's LACEP consultant team and will be refined to include a number of other variables: use and impact of additional grants received; possibility of obtaining low-interest initial financing; and impact of scaling up the LACEP to include other cities in the County.

Ultimately, the model will determine what loan rate should be charged to property owners and how to structure the LACEP to be self-sustaining through its life. In an effort to secure funding for initial loans, the County team is evaluating the feasibility and benefits of obtaining financing both from private lenders and through the issuance of bonds in the public capital markets.

Bond Counsel has confirmed the priority status of contractual assessments under AB 811 and established the steps necessary for the County to develop a clean energy financing program. These findings were confirmed for Sonoma County following a judicial validation proceeding and a Sonoma County Superior Court decision. The County intends to initiate a similar judicial validation for LACEP immediately following the public hearing scheduled for May 25, 2010.

TTC is directing the completion of the County's Resolution of Intention (ROI) and all legal documents (listed in the LACEP Milestone Timeline above). The team reviewing these documents includes: TTC, County Counsel, CEO, ISD, Department of Public Works, Bond Counsel, TTC's financial advisors, and the LACEP consultant team. The ROI has been filed with your Board for consideration on the April 6, 2010 Board agenda. A public review period of at least 45 days must elapse after approval of the ROI before your Board can establish the LACEP. Therefore, final LACEP adoption will be considered by your Board at the May 25, 2010 Board meeting.

If you have any questions, or require further information on this matter, please contact me, or your staff may contact either Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or via email at [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov) , or Lari Sheehan, Deputy Chief Executive Officer at (213) 893-2477 or via email at [lsheehan@ceo.lacounty.gov](mailto:lsheehan@ceo.lacounty.gov).

WTF:ES:LS  
HC:ef

c: Executive Office, Board of Supervisors  
County Counsel  
Internal Services  
Public Works  
Treasurer and Tax Collector